FINAL BUDGET AND SUPPORTING DOCUMENTATION OF MARULENG MUNICIPALITY (LIM 335)

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1.1 MAYORS REPORT

PART 1 – FINAL BUDGET 2017/18 FY

Madam Speaker
EXCO Members
Chief Whip of Council
MPAC Chairperson
Fellow Councillors
Kgoši Sekororo
Kgoši Letsoalo
Kgoši Mametja
Kgoši Chiloane
Municipal Manager
Directors
Representative from COGHSTA
Officials
Members from the gallery
Good morning!

Honourable Speaker
I have the honour to present the first annual budget of the new term of council which started in August 2016.
In just over a month, we will commence with a new financial year.
At the outset, I want to thank all councillors and administrative staff of Maruleng Municipality for your support, cooperation and encouragement.
The journey we have travelled so far has been an affair of holding each other's hand and marching forward, enjoined by a common goal – which is to make this municipality work, and shine as a beacon of hope for the masses that we serve.

As a new council we have just started; but as a municipality we have come a long way, and we have achieved much over the past council terms.
We stand on the shoulders of our predecessors and bask in the sunshine of their glorious achievements.
It is pleasing to indicate that this municipality has done a lot to improve the lives of our people since its inception.
Let me for a brief moment reflect on the journey we have travelled as a municipality.

Today all villages are electrified, with only in-fills and extensions still needing attention.

According to the 2011 census, 94% of our population has access to sanitation.

On road infrastructure, we are at 58.91% of access.
Madam Speaker, on refuse removal there is still a long way to go.

Currently we stand at a backlog of 93.2%. However, the budget we are adopting today endeavours to enable us to extend refuse removal to targeted villages in our municipality. This will also go a long way in enhancing our revenue collection.

On health issues, official statistics indicate that 70.83% of our population reside within a 5km radius of one form of health facilities or another. However, this achievement is moderated by the high prevalence of HIV/AIDS, which currently stands at 11.7%, surpassing the district percentage.

And many more other milestones we have achieved.

Madam Speaker, there is more to do ahead, more to build, more to put right, more to learn, more to implement. We can only do this together.

Fellow citizens, let me be frank with you – our municipality has its challenges and difficulties, which are mirrored in the broader struggles that the whole country is facing.
Although here in Maruleng we experience relative stability, especially insofar as service delivery protests are concerned, this does not diminish the fact that employment is very high,

poverty among our rural populace is alarming, and there are still serious service delivery backlogs that stare at us right in the face like a cobra ready to strike.
For this reason, our plans for the period ahead are focused on the transformation imperatives that will accelerate growth, create work opportunities, address municipal services backlogs and thus build a more equal society.

This Budget lays the foundation for the initiatives envisaged over the next medium term period. It sets out the resource plan for an intensified implementation of service delivery projects though the Integrated Development Plan (IDP).

Our IDP is the platform on which we rally all our social partners to come on board this *service delivery ship* and go with us on a journey that will transform our communities for ever and for better. Our history tells us that progress has to be built on a vision and strategy shared by leaders and the people – a vision founded on realism and evidence.

We have to work together to radically change our communities.
This means working with the unemployed to graduate them into entrepreneurs, working with our small businesses so that they sparkle across the length and breadth of our municipality.
It means working with black entrepreneurs to grow their companies across our province and beyond, working with small and large businesses to build value chain linkages that support market oriented competitive enterprises.
It means bringing those who are marginalised into the mainstream of opportunity and activity.
It means a better standard of living for all.
All this we aim to achieve by creating a conducive environment for business endeavour and economic activity.

To those who will hear these words, whether you are employed or unemployed, a young person caring for a family yet still going to school, someone looking for experience in order to move on to a better job, looking for skills or needing further education opportunities, working in a government employment programme or a temporary construction project, whether you are an unskilled worker or a young professional looking for opportunities to develop specialist experience – I invite you to take my hand, and let's move forward towards a better life for all.

Review of current year 2016/17 budget performance.

We have gone past mid-way point implementing a budget of R252, 1 million for the 2016/17 financial year.

There have been setbacks and recoveries, but overall we have moved forward.

Despite the adjustments and realignment that came with a change in councils and numerous changes in holders of the post of municipal manager, the following achievements and highlights were made.

Budget performance 2016/17.

The operating expenditure budget implementation indicator as at 30 April 2017 is at 78% which is negligibly below the norm minimum of 79% for the period. This means the operating budget is being well utilised. Spending forecast for the whole year is projected above 90%, i.e. by 30 June 2017**.**

At 79, 1% as on 30 April 2017, the wage bill is under control and spending forecast for the whole year is estimated above 90%. At this level of spending employment costs are within the national norm range. This, viewed in light of above 60% overall achievement of SDBIP at the end of the third quarter, suggests that the municipality is effectively using its human resources to improvise for gaps arising from some critical posts which are not yet filled, e.g. director corporate services and legal officer.

The calculated capital spending budget implementation indicator as at 30 April 2017 is 54%, which is below the norm minimum 79 % for the period. However this does not diminish the fact that spending on MIG funded projects up to 30 April 2017 is at 68%, despite that implementation only commenced in earnest in the third quarter of the financial year. Spending of 100% of the budget is projected for 30 June 2017. The indicator is weighted down by spending on own-funded projects which is still at 30 June 2017.

The operating revenue budget implementation indicator as at 30 April 2017 was standing at 94%, which is above the norm maximum of 83% for the year-to-date period, indicating that operating revenue compares favourably to the budget, and the major contributor being unspent non-conditional receipts.

The service charges and property rates (revenue) budget implementation indicator as at 30 April 2017 is 89%. This is above the norm maximum of 83% for the period, owing to adjustments to property rates for the first 9 months of the financial year, based on supplementary valuation schedules.
The collection rate is at 56%, but at this rate, because of higher values being billed in the current financial year, the municipality's year-on-year collection has increased by R13 million from R21 million for the same period last financial year to R34 million as at 30 April 2017. A collection rate of above 60% is projected for 30 June 2017.

Madam Speaker, it would be mischievous of me not to draw attention to the following areas of poor budget performance—

Spending on repairs and maintenance remain unacceptably low at 25% despite the poor state of some critical service infrastructure in the municipality. The development of the assets maintenance plan is a very urgent priority to enable the municipality to roll out programme-based maintenance.

Revenue collection below 60% is still far below the SDBIP target of 80%.
The low spending progress on own revenue funded projects is a matter of serious concern which must be addressed urgently.

I call upon the portfolio committees charged with overseeing and monitoring these areas of non-performance to drive the implementation of effective remedial measures.

Madam Speaker, let me proceed to the presentation of the new budget.

Summary of the 2017/18 Budget

Madam Speaker, today's budget message is that we are once again confronted with a glorious opportunity to present a plan that will ignite hope, optimism and enthusiasm among our people.
The key features of the framework for the 2017/18 Budget include the following:

Spending estimates.

- Expenditure is within the envelope projected in last year's budget.
- The municipality's wage bill has not yet stabilized.

 The reviewed staff establishment has resulted in the creation of 28 new posts. We cannot fund all of them. We have prioritized a number of them, more especially to bridge the gap between middle management and the senior management levels. To this end an amount of R7, 1 million has been allocated for funding new posts, at the same time ensuring that employment costs are is still within the national norm range.
- An amount of R2, 9 million has been allocated for community and social programmes with a focus on gender issues, health awareness, sports, and awareness on violence against women and children for the 2017/18 financial year. The allocation will be increased to a total of R6.3 million over the two outer years of the medium term.
- Procurement activities will continue to improve the effectiveness of municipal spending and opening opportunities for individual and business participation in informal, micro- and macro- economic activities. This will be largely precipitated by the allocation of R129, 7 million in operating requirements and R96 million in capital projects and acquisitions for the 2017/18 financial year. The two outer years of the medium term will see a spending of R112 million on capital projects and acquisitions.

 There will be spin-offs in skills development and employment creation.

 The capital budget will, among other things, fund road infrastructure, community halls. Sport facilities, fencing of graveyards and land for housing development.
- Pending the development of the capital assets maintenance plan, the municipality is mainly focusing on routine and incident-triggered maintenance. The allocation for the 2017/18 financial year is R2, 5 million, which still falls below the national norm. The allocation will be increased by a total of R6, 1 million over the next two financial years. The finalization of the infrastructure maintenance plan will usher in programmatic, renewal and preventative maintenance to address the deteriorating state of service infrastructure within the municipal boundaries
- Budgeted spending on free-basic electricity is R1, 4 million for the 2017/18 financial year and will grow by 3, 1 million over the two outer years.

Revenue modelling.

- An amount of R40 million will be raised in rates and service charges in 2017/18. This will be increased by a total of R88 million in the two outer years of the medium term.

 Other streams of revenue include land use based tariffs, driver licensing, and, vehicle registrations and law enforcement.
- Idle cash will be prudently invested to leverage the timing differences between receipt of cash and application of the same, thus generating R5, 6 million in 2017/18 and R11, 6 million over the two outer years.
- Grant funding amounting to R129, 5 million will be received from the National Revenue Fund in the 2017/18 financial year. The funding will grow by a total of R274, 3 million over the two outer years of the medium term.
- The budget surplus for 2017/18 will be 24%, taking into account accrued revenue and expense provisions, the cash effects of which translate into a balanced budget augmented by cash based accumulated surplus of R21, 7 million. The funding from cash-backed surplus (i.e. R21,7 million) will reduce the projected cash and cash equivalence of R84,0 million for 30 June 2017 to R62,3 million, which will go towards maintaining a healthy cash/cost coverage and going concern status of the municipality.
- Based on the foregoing, the funding envelope that underpins our budget is based on sound revenue models and projections. A municipal tariff structure for a range of services provided by the municipality is also in place to ensure that the Municipality reaches its revenue generation targets.

Madam Speaker, I can share with this house that I have reviewed the successes of the past councils of this municipality, and gained understanding the municipality's strengths, its weaknesses (largely because we are a municipality immersed in a deep rural setting), and reflected on how best we can lead this municipality and all its communities to a better, more dynamic future.

I am convinced that the current council inherits a municipality that stands on a solid-rock foundation. The string of good audit outcomes that this municipality obtained over the years

stands as a monument to good governance, sound administration and upholding of *batho-pele* principles.
It would take sheer heartlessness and recklessness to sway this municipality out of the current trajectory of being a broad-based engine of people-centred development.

Madam Speaker, no one in this house would deny that Maruleng is a different municipality from the one the first council and administration inherited. The facts speak for themselves! We have made great strides in delivering basic services and opening opportunities to all our people. Yet we still have an immense set of tasks and challenges facing us.
We cannot just muddle through the next 4 years of our council term.
As part of '***where do we go from here?***' we have a multi-year budget and a five-year plan, the IDP, which we are adopting today, so that step by step and line upon line we can make a difference in the lives of our people.
On these two foundations, we are able to offer bold and forthright leadership.
Let me explain.
The IDP reflects the priorities underpinning this budget, and the SDBIP provides the tool for implementation.

- We will be rolling out infrastructure projects.
- We are committed to partnering with all our stakeholders, including our communities.
- We will build our institutional capacity.
- To make more rapid progress in creating jobs and reducing poverty, we will create a conducive and enabling environment for economic activity to take root and thrive.
- We will implement new spatial plans for our towns and villages to promote effective and efficient land ownership and use and access thereto.

Yet I need to caution that success in implementing these plans depends entirely on discipline, hard work and cooperation.

Honourable Speaker, the task ahead is quite enormous and daunting, but with lessons we are taking from the journey we have travelled, and from the past from which we came as a municipality, we cannot be derailed from our good course. We know the kind of tomorrow for which we should hope and strive today.

Madam Speaker, ladies and gentlemen, I am tabling a well-funded and balanced budget of R285, 7 million which, in my view, will go a long way in accelerating service delivery in the municipality.

I call it **a lean budget with rich possibilities**.

It is lean because our resources are limited. But it has rich possibilities because it provides a liberal platform for participation by all who feel that they owe it to themselves to contribute to the socio-economic development our communities.

As for my fellow councillors, it is incumbent upon this council to work tirelessly to ensure that quality services are accessed by our people.

Let's all prepare ourselves to put shoulder to wheel and do our part in the implementation of this budget. **So come along with me my fellow country men and women on this liberating and empowering journey to continue to implement our developmental and people-centric budget**. Together we can build better communities!

I thank you.

1.2 COUNCIL RESOLUTIONS

On The 29th of May 2017 the Council of Maruleng Local Municipality met in the Council Chamber to adopt the final annual budget of the municipality for the financial year 2017/18, council resolution number SC07/05/2017. The Council considered the inputs from public consultations and the following resolutions were taken:

1. The Council of Maruleng Local Municipality, acting in terms of section 24 of the Municipal Finance Management Act, (Act 56 of 2003) approves and consider:

1.1. The final annual budget of the municipality for the financial year 2017/18 and the multi-year and single-year capital appropriations as set out in the following tables:
 - 1.1.1 Budgeted Financial Performance (revenue and expenditure by function classification) as contained in Table 11 on page 30;
 - 1.1.2 Budgeted Financial Performance (revenue and expenditure by municipal vote) as contained in Table 12 on page 31;
 - 1.1.3 Budgeted Financial Performance (revenue by source and expenditure by type as contained in Table 13 on page 32; and
 - 1.1.4 Multi-year and single-year capital appropriations by municipal vote and standard classification and associated funding by source as contained in Table 14 on page 34 of Maruleng Municipality 2017/18 final budget and MTREF

1.2. The financial position, cash flow budget, cash-backed reserve/accumulated surplus, assets management and basic service delivery targets are approved as set out in the following tables:
 - 1.2.1. Budgeted Financial Position as contained in Table 15 on page 35;
 - 1.2.2. Budgeted Cash Flows as contained in Table 16 on page 37
 - 1.2.3. Cash backed reserves and accumulated surplus reconciliation as contained in Table 17 on page 38;
 - 1.2.4. Asset management as contained in Table 18 on page 39; and
 - 1.2.5. Basic service delivery measurement as contained in Table 19 on page 41 of Maruleng Municipality 2017/18 final budget and MTREF

2. The Council of Maruleng Municipality, acting in terms of section 75A of the Local Government: Municipal Systems Act (Act 32 of 2000) approved and adopts with effect from 1 July 2017:
 - 2.1. The tariffs for property rates – as set out in Annexure A,
 - 2.2. The tariffs for solid waste services – as set out in Annexure A

3. The Council of Maruleng Local Municipality, acting in terms of 75A of the Local Government: Municipal Systems Act (Act 32 of 2000) adopted with effect from 1 July 2017 the tariffs for other services, as set out in Annexure A .

4. To give proper effect to the municipality's final annual budget, the Council of Maruleng Municipality noted:
 - 4.1 That cash backing is implemented through the utilization of a portion of the revenue generated from property rates to ensure that all capital reserves and unspent conditional grants are cash backed as required in terms of the municipality's funding and reserves policy as prescribed by section 8 of the Municipal Budget and Reporting Regulations

1.3. EXECUTIVE SUMMARY

The application of sound financial planning and financial management principles are very critical in achieving the Municipality's financial objectives

The following are the challenges experienced during the compilation of the 2017/2018 MTREF

- The ongoing difficulties in the national and local economy
- Ageing and poorly maintained water and roads infrastructure
- The need to reprioritise projects and expenditure within the existing limited resources taking into account the current cash flow limitations
- Wage increases for municipal staff and the need to fill critical vacancies

The following budget principles and guidelines directly informed the compilation of the 2017/2018 MTREF:

- The 2016/17 Adjustments budget priorities and targets, as well as the base line allocations contained in that Adjustments were adopted as the upper limits for the new baselines for the 2017/2018 final budget.
- Tariff and property rate increases should be affordable and should generally not exceed inflation as measured by the CPI, except where there are price increases in the inputs of services that are beyond the control of the municipality, for instance the cost of bulk water. In addition, tariffs need to remain or move towards being cost reflective, and should take into account the need to address infrastructure backlogs;

- There will be no budget allocated to national and provincial funded projects unless the necessary grants to the municipality are reflected in the national and provincial budget and have been gazette as required by the annual Division of Revenue Act;

The following table is a consolidated overview of the proposed 2017/2018 MTREF

Table 1 Consolidated Overview of the 2017/18 MTREF

LIM335 Maruleng - Table A4 Budgeted Financial Performance (revenue and expenditure)

Description	2013/14	2014/15	2015/16	Current Year 2016/17			2017/18 Medium Term Revenue & Expenditure Framework		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
Total Revenue (excluding capital transfers and contributions)	91 439 127	121 863 853	147 301 420	144 318 102	170 662 304	170 662 304	176 289 942	182 763 615	181 760 369
Total Expenditure	109 113 503	143 947 140	144 805 976	148 303 319	169 125 415	169 125 415	189 747 768	198 459 686	210 799 684
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	27 869 161	34 830 221	30 068 247	47 918 000	49 660 371	49 660 371	27 223 000	28 600 000	30 054 000
Surplus/(Deficit) for the yea	10 194 785	12 746 934	32 563 690	43 932 783	51 197 261	51 197 261	13 765 173	12 903 929	1 014 685

- Total operating revenue excluding capital transfer and contributions has been increased by 3, 3 per cent or R5.6 million when compares to 2017/18 approved annual budget and 2016/17 adjusted budget. The main source of income for the municipality is property rates and services charges for refuse removal. The municipality does not have license to sell electricity while on the other part the municipality is not water service authority but providers.
- The equitable share allocation, FMG and EPWP grants for 2017/18 is 1 million more when compares to adjusted budget for 2016/17. These changes in allocations have the overall impact of decreasing the funding of the budget for the 2017/18 MTREF period. Projected operating revenue for the two outer years increased by 3.6 percent for 2018/19 and also decreased by 0.5 for 2019/20 financial period. The budgeted total operating expenditure for the financial year 2017/18 is R189, 7 million, resulting in operating surplus of 13, 7 million. Operating expenditure for the respective outer years of the MTREF period has grown to R198, 4 million and R210 million. The total surplus for the two outer's years has an amount of R12.9 million and R1million respectively.
- The municipality is slightly below break-even point after taking in to consideration non-cash items (depreciation, bad debts and loss on sale of assets). However, after discounting the non-cash movement a surplus is realised, which counts for a contribution towards the funding of capital expenditure and further improves the cash backing of reserves.

1.4. OPERATING REVENUE FRAMEWORK

For Maruleng municipality to continue improving the quality of services provided to its citizens it needs to generate the required revenue. In these tough economic times strong revenue management is fundamental to the financial sustainability of every municipality. The reality is that the municipality is faced with development backlogs and poverty. The expenditure required to address these challenges will inevitably always exceed available funding; hence difficult choices have to be made in relation to tariff increases and balancing expenditures against realistically anticipated revenues.

The municipality's revenue strategy is built around the following key components:

- National Treasury's guidelines and macroeconomic policy;
- Growth in the municipality and continued economic development
- Efficient revenue management, which aims to ensure a 90 percent annual collection rate for property rates and other key service charges;
- Achievement of full cost recovery of specific user charges especially in relation to trading services;
- Determining the tariff escalation rate by establishing/calculating the revenue requirement of each service;
- The municipality's Property Rates Policy approved in terms of the Municipal Property Rates Act, 2004 (Act 6 of 2004) (MPRA); and
- The municipality's Indigent Policy and rendering of free basic services.

The following table is a summary of the 2017/18 MTREF (classified by main revenue source)

Table 2 Summary of revenue classified by main revenue source

LIM335 Maruleng - Table A4 Budgeted Financial Performance (revenue and expenditure)

Description	2013/14	2014/15	2015/16	Current Year 2016/17			2017/18 Medium Term Revenue & Expenditure Framework		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
Revenue By Source									
Property rates	12 594 085	29 908 471	32 093 298	31 587 190	58 321 273	58 321 273	51 279 016	54 201 920	57 237 227
Service charges - refuse revenue	2 564 209	3 179 464	2 586 338	2 694 675	3 021 096	3 021 096	3 607 170	3 812 779	4 026 295
Rental of facilities and equipment	269 430	324 656	301 877	312 977	320 743	320 743	341 270	360 723	380 923
Interest earned - external investments	1 609 882	2 882 082	4 400 886	4 485 148	5 038 293	5 038 293	5 360 744	5 666 306	5 983 619
Interest earned - outstanding debtors	206 333			327 703	200 000	200 000	212 800	224 930	237 526
Fines, penalties and forfeits	221 172	1 029 800	981 800	315 966	315 966	315 966	336 187	355 350	375 250
Licences and permits	2 328 118	2 865 584	2 521 726	3 034 396	3 034 396	3 034 396	3 228 598	3 412 628	3 603 735
Agency services	1 952 081	1 353 922	1 651 328	2 196 574	2 196 574	2 196 574	2 337 155	2 470 373	2 608 713
Transfers and subsidies	68 062 483	76 724 114	100 118 417	94 154 000	94 154 000	94 154 000	102 322 000	110 393 000	105 337 000
Other revenue	1 631 335	3 077 125	2 098 767	1 509 474	1 559 964	1 559 964	1 765 002	1 865 607	1 970 081
Gains on disposal of PPE		518 636	546 982	3 700 000	2 500 000	2 500 000	5 500 000	-	-
Total Revenue (excluding capital transfers and contributions)	91 439 127	121 863 853	147 301 420	144 318 102	170 662 304	170 662 304	176 289 942	182 763 615	181 760 369

Table 3 Percentage growth in revenue by main revenue source

LIM335 Maruleng - Table A4 Budgeted Financial Performance (revenue and expenditure)

Description			2017/18 Medium Term Revenue & Expenditure Framework					
R thousand	Adjusted Budget	%	Budget Year 2017/18	%	Budget Year +1 2018/19	%	Budget Year +2 2019/20	%
Revenue By Source								
Property rates	58 321 273	34	51 279 016	29	54 201 920	30	57 237 227	31
Service charges - refuse revenue	3 021 096	2	3 607 170	2	3 812 779	2	4 026 295	2
Rental of facilities and equipment	320 743	0	341 270	0	360 723	0	380 923	0
Interest earned - external investments	5 038 293	3	5 360 744	3	5 666 306	3	5 983 619	3
Interest earned - outstanding debtors	200 000	0	212 800	0	224 930	0	237 526	0
Fines, penalties and forfeits	315 966	0	336 187	0	355 350	0	375 250	0
Licences and permits	3 034 396	2	3 228 598	2	3 412 628	2	3 603 735	2
Agency services	2 196 574	1	2 337 155	1	2 470 373	1	2 608 713	1
Transfers and subsidies	94 154 000	55	102 322 000	58	110 393 000	60	105 337 000	58
Other revenue	1 559 964	1	1 765 002	1	1 865 607	1	1 970 081	1
Gains on disposal of PPE	2 500 000	1	5 500 000	3	-	-	-	-
Total Revenue (excluding capital transfers and contributions)	170 662 304	100	176 289 942	100	182 763 615	100	181 760 369	100

In line with the formats prescribed by the Municipal Budget and Reporting Regulations, capital transfers and contributions are excluded from the operating statement, as inclusion of these revenue sources would distort the calculation of the operating surplus/deficit.
Revenue generated from rates and services charges constitutes, for 2017/18, only 31 percentage of the funding envelope, indicating that the municipality is mainly dependent on grants.

In the financial year 2017/18 revenue from rates and services charges is R54.8 million or 31 per cent when compares to total revenue of the same year. The services increase to R.58 million and R61.2 million in the two outer years of the MTREF period. The above table excludes revenue foregone arising from discounts and rebates associated with the tariff policies of the Municipality.

Apart from transfers recognised – operational, which is about 58 percentage of the total revenue mix, property rates is the largest own revenue source in 2017/18 financial by 29 percent. The second largest own source is interests on investment which is 3 percent of the total revenue. The other revenue consists of various items such as town planning fees, building plan fees, clearance certificates, rental sign boards, tender documents, etc. contained 1 percent of the total revenue. The municipality review its tariff structure for 2017/18 financial period to ensure that they are cost reflective and market related. The structure was adopted together with the budget on the 29th of May 2017.
Operating grants and transfers totals R102, 3 million in the 2017/18 financial year and steadily increases to R110, 3 million and decrease to 105, 3 million for the two outer years. Note that the year-on-year growth for the 2017/18 to 2019/20 financial year are 58, 60 and 58 percent respectively. The following table gives a breakdown of the various operating grants and subsidies allocated to the municipality over the medium terms.

Table 4 Operating Transfers and Grant Receipts

LIM335 Maruleng - Supporting Table SA18 Transfers and grant receipts

Description	Ref	2013/14	2014/15	2015/16	Current Year 2016/17			2017/18 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
RECEIPTS:	1, 2									
Operating Transfers and Grants										
National Government:		68 042	77 054	100 118	94 154	94 154	94 154	102 322	110 393	105 337
Local Government Equitable Share		60 742	71 904	92 441	91 329	91 329	91 329	99 298	108 493	103 437
Finance Management		1 671	1 800	1 800	1 825	1 825	1 825	1 900	1 900	1 900
Municipal Systems Improvement		664	934	930						
Integrated National Electrification Programme		3 105		3 562						
EPWP Incentive		1 323	1 316	1 038	1 000	1 000	1 000	1 124		
disaster recovery		536	1 100	348						
Provincial Government:		–	–	–	–	–	–	–	–	–
disaster recovery										
District Municipality:		21	–	–	–	–	–	–	–	–
mopani district		21								
Other grant providers:		–	–	–	–	–	–	–	–	–
[insert description]										
Total Operating Transfers and Grants	5	68 062	77 054	100 118	94 154	94 154	94 154	102 322	110 393	105 337
Capital Transfers and Grants										
National Government:		27 869	25 309	30 068	29 419	49 660	49 660	27 223	28 600	30 054
Municipal Infrastructure Grant (MIG)		27 869	25 309	30 068	29 419	49 660	49 660	27 223	28 600	30 054
Other capital transfers/grants [insert desc]										
Provincial Government:		–	–	–	–	–	–	–	–	–
Other capital transfers/grants [insert description]										
District Municipality:		–	–	–	–	–	–	–	–	–
mopani district										
Other grant providers:		–	–	–	–	–	–	–	–	–
[insert description]										
Total Capital Transfers and Grants	5	27 869	25 309	30 068	29 419	49 660	49 660	27 223	28 600	30 054
TOTAL RECEIPTS OF TRANSFERS & GRANTS		95 932	102 363	130 187	123 573	143 814	143 814	129 545	138 993	135 391

Tariff-setting is a fundamental and strategic part of the compilation of any budget. When rates, tariffs and other charges were revised, local economic conditions, input costs and the affordability of services were taken into account to ensure the financial sustainability of the municipality.

The municipality has made changes to the tariff structure and revenue forgone based on the circular 86 of the MFMA. National Treasury continues to encourage municipalities to keep increases in rates, tariffs and other charges as low as possible. Maruleng Municipality has justified the budget in an excess of the 6.4 per cent.

It must also be appreciated that the consumer price index, as measured by CPI, is not a good measure of the cost increases of goods and services relevant to municipalities. The basket of goods and services utilised for the calculation of the CPI consist of items such as food, petrol and medical services, whereas the cost drivers of Maruleng Municipality are informed by items such as the cost of employee related costs, contracted services, materials etc. The current challenge facing the municipality is managing the gap between cost drivers and tariffs levied, as any shortfall must be

made up by either operational efficiency gains or service level reductions. Within this framework the municipality has undertaken the tariff setting process relating to service charges as follows:

1.4.1. Property Rates

Property rates cover the cost of the provision of general services. Determining the effective property rate tariff is therefore an integral part of the municipality's budgeting process.
National Treasury's MFMA Circular No. 51 deals, inter alia with the implementation of the Municipal Property Rates Act, with the regulations issued by the Department of Co-operative Governance. These regulations came into effect on 1 July 2009 and prescribe the rate ratio for the non-residential categories, public service infrastructure and agricultural properties relative to residential properties to be 0, 73:1 the implementation of these regulations was done in the previous budget process and the Property Rates Policy of the Municipality has been amended accordingly.

The following stipulations in the Property Rates Policy are highlighted:

- The first R15,000 of the market value of a property used for residential purposes is excluded from the rate-able value (Section 17(h) of the MPRA). In addition to this rebate, a further 45% of the reduction on the market value of a property will be granted in terms of the Municipality's own Property Rates Policy;
- 65 per cent rebate will be granted on residential properties (including state owned residential properties but excluding sectional title scheme and residential properties in non-private estate);
- 100 per cent rebate will be granted to residential properties in rural, informal settlement and registered indigents in terms of the Indigent Policy;
- For pensioners, physically and mentally disabled persons, a maximum/total rebate of 50 per cent (calculated on a sliding scale) will be granted to owners of rate-able property if the total gross income of the applicant and/or his/her spouse, if any, does not to exceed the amount equal to twice the annual state pension as approved by the National Government for a financial year. In this regard the following stipulations are relevant:
 - The rate-able property concerned must be occupied only by the applicant and his/her spouse, if any, and by dependents without income;
 - The applicant must submit proof of his/her age and identity and, in the case of a physically or mentally handicapped person, proof of certification by a Medical Officer of Health, also proof of the annual income from a social pension;
 - The applicant's account must be paid in full, or if not, an arrangement to pay the debt should be in place; and
 - The property must be categorized as residential.

- The municipality may award a 100 per cent grant-in-aid on the assessment rates of rate-able properties of certain classes such as registered welfare organisations, institutions or organisations performing charitable work, sports grounds used for purposes of amateur sport. The owner of such a property must apply to the Chief Financial Officer in the prescribed format for such a grant.

- The municipality does not have special rating; one levying rate is applied for all categories. The current levying rate is 0.0121 for 2017/2018.

1.4.2. Sale of Water and Impact of Tariff Increases

The municipality faces similar challenges with regard to water supply as the rest of South Africa, which is that demand growth outstrips supply. Consequently, the municipality has, in consultation with Mopani District Municipality which is the water authority, carefully reviewed the service level agreements and structure of the water tariffs to ensure:

- Water tariffs are fully cost-reflective – including the cost of maintenance and renewal of purification plants, water networks and the cost associated with reticulation expansion;
- Water tariffs are structured to protect basic levels of service and ensure the provision of free water to the poorest of the poor (indigent); and
- Water tariffs are designed to encourage efficient and sustainable consumption.

Maruleng Municipality is not a water authority in terms of the Act but rendering the service on behalf of the District. The Municipality receives bulk water from the Department of Public Works.
A tariff increase of 6, 4 per cent from 1 July 2017 for water is proposed. This is based on the increase in the cost of other inputs.
A summary of the proposed tariffs for households (residential) and non-residential are as follows:

Table 5 Proposed Water Tariffs

CATEGORY	CURRENT TARRIFF 2016/17	PROPOSED TARRIFF 2017/18
	Rand per kl	Rand per kl
RESIDENTIAL		
Water basic per household p/m	7.20	7.66
Water consumption p/kl	5.40	5.75
Business		
Water basic per household p/m	12.10	12.87
Water consumption p/kl	11.80	12.56

1.4.3. Sanitation and Impact of Tariff Increases

A tariff increase of 6, 4 per cent for sanitation from 1 July 2017 is proposed. This is based on the input cost assumptions related to water

Table 6 Comparison between current and proposed sanitation charges

CATEGORY	CURRENT TARRIFF 2016/17	PROPOSED TARRIFF 2017/18
	Rand per kl	Rand per kl
RESIDENTIAL		
Sewerage per dwelling p/m	59,90	63,73
NON RESIDENTIAL		
Sewerage per dwelling p/m	62.00	65.97

1.4.4. Waste Removal and Impact of Tariff Increases

The Municipality has a contract for waste removal for businesses and also have employees who collect refuse for residential areas. The municipality also want to extent refuse removal to the villages for 2017/18 financial period.

The Municipality will have to implement a solid waste strategy to ensure that this service can be rendered in a sustainable manner over the medium to long-term. The Municipality's landfill site is situated 55 km outside the collection areas. The 6.4 per cent increase in the waste removal tariff is proposed from 1 July 2017.

The following table compares current and proposed amounts payable from 1 July 2017

Table 7 Comparison between current and proposed waste removal fees

	current tariff 2016/17	proposed tariff 2017/18
RESIDENTIAL		
Refuse	51,40	54,69
Refuse Coupons per bakkie load	182,40	194,07
Sundry removal full load	479,80	510,51
(Garden refuse)		
DEPARTMENT OF PUBLIC WORKS		
Refuse collection domestic	83,10	88,42
Refuse removal messess and base	550,00	585,20
REFUSE COLLECTION CAGES		
Small	235,00	250,04
Medium	277,20	294,94
Half container	263,90	280,79
Large	319,50	339,95
Container per pick up	528,50	562,32
(Rate per collection)		

1.5. OPERATING EXPENDITURE FRAMEWORK

The Municipality's expenditure framework for the 2017/18 budget and MTREF is informed by the following:

- Balanced budget constraint (operating expenditure should not exceed operating revenue) unless there are existing uncommitted cash-backed reserves to fund any deficit;
- Funding of the budget over the medium-term as informed by Section 18 and 19 of the MFMA;
- Operational gains and efficiencies will be directed to funding the capital budget and other core services; and
- Strict adherence to the principle of no budget no spending.
- The following table is a high level summary of the 2017/18 budget and MTREF (classified per main type of operating expenditure):

Table 8: Summary of operating expenditure by standard classification item

LIM335 Maruleng - Table A4 Budgeted Financial Performance (revenue and expenditure)

Description	2013/14	2014/15	2015/16	Current Year 2016/17			2017/18 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
Expenditure By Type									
Employee related costs	30 704 717	39 272 302	45 252 895	50 489 061	51 688 135	51 688 135	66 786 699	71 461 768	76 464 092
Remuneration of councillors	7 664 592	7 805 186	9 511 268	9 831 891	9 320 644	9 320 644	10 045 112	10 647 819	11 286 688
Debt impairment	2 827 451	31 021 458	8 306 887	4 550 000	13 404 379	13 404 379	19 262 260	20 360 209	21 500 380
Depreciation & asset impairment	28 284 145	28 840 760	29 527 976	33 080 278	36 080 278	36 080 278	38 389 416	40 577 613	42 849 959
Finance charges	86 022	21 008	45 995	74 340	74 340	74 340	79 098	83 606	88 288
Bulk purchases	812 848	563 531	998 509	940 129	1 331 819	1 331 819	1 417 055	1 497 827	1 581 706
Other materials	1 296 906	1 703 406	1 373 091	3 374 371	3 324 371	3 324 371	3 723 244	3 935 469	4 155 855
Contracted services	5 613 865	6 819 324	7 894 675	8 244 328	7 283 926	7 283 926	8 332 015	8 806 940	9 300 129
Other expenditure	20 789 985	26 544 748	32 555 238	37 390 546	37 527 521	37 527 521	39 363 479	40 719 130	43 182 601
Loss on disposal of PPE	11 032 973	1 355 416	9 339 442	328 374	9 090 000	9 090 000	2 349 390	369 305	389 986
Total Expenditure	109 113 503	143 947 140	144 805 976	148 303 319	169 125 415	169 125 415	189 747 768	198 459 686	210 799 684

The budgeted allocation for employee related costs for the 2017/18 financial year totals R66.7 million, which equals 35 per cent of the total operating expenditure. The CPI for 2017/18 which is 6.4 has been taken in to consideration when preparing the approved annual budget; the municipality has provided an increase of salaries and wages for 2017/18. The municipality has approved the new layer of management on the organisational structure. The South African Local Government Bargaining Council entered into a three-year Salary and Wage Collective Agreement for the period 01 July 2015 to 30 June 2018. The preparation of the 2017/18 MTREF constitutes implementation of the last year of the agreement which municipalities must implement as follows:

- 2017/18 Financial Year – average CPI (Feb 2016 – Jan 2017) + 1 per cent

The previous years were:

- 2015/16 Financial Year – 7 per cent
- 2016/17 Financial Year – average CPI (Feb 2015 – Jan 2016) + 1 per cent

The municipality has taken into consideration for vacant and critical positions and therefore made a provision for them. The budget has been made provision for critical positions like Director (Corporate services) and other vacant positions.

A preliminary amount of R66.7 million for employee related costs has been included in the 2017/18 MTREF.
The cost associated with the remuneration of councilors is determined by the Minister of Co-operative Governance and Traditional Affairs in accordance with the Remuneration of Public Office Bearers Act, 1998 (Act 20 of 1998). The most recent proclamation in this regard has been taken into account in compiling the Municipality's budget.

The provision of debt impairment was determined based on an annual collection rate and the Debt Write-off Policy of the Municipality. For the 2017/18 financial year this amount equates to R19.2 million and escalates to R21.5 million by 2019/20. While this expenditure is considered to be a non-cash flow item, it informed the total cost associated with rendering the services of the municipality, as well as the municipality's realistically anticipated revenues.

Provision for depreciation and asset impairment has been informed by the municipality's Asset Management Policy. Depreciation is widely considered a proxy for the measurement of the rate asset consumption.

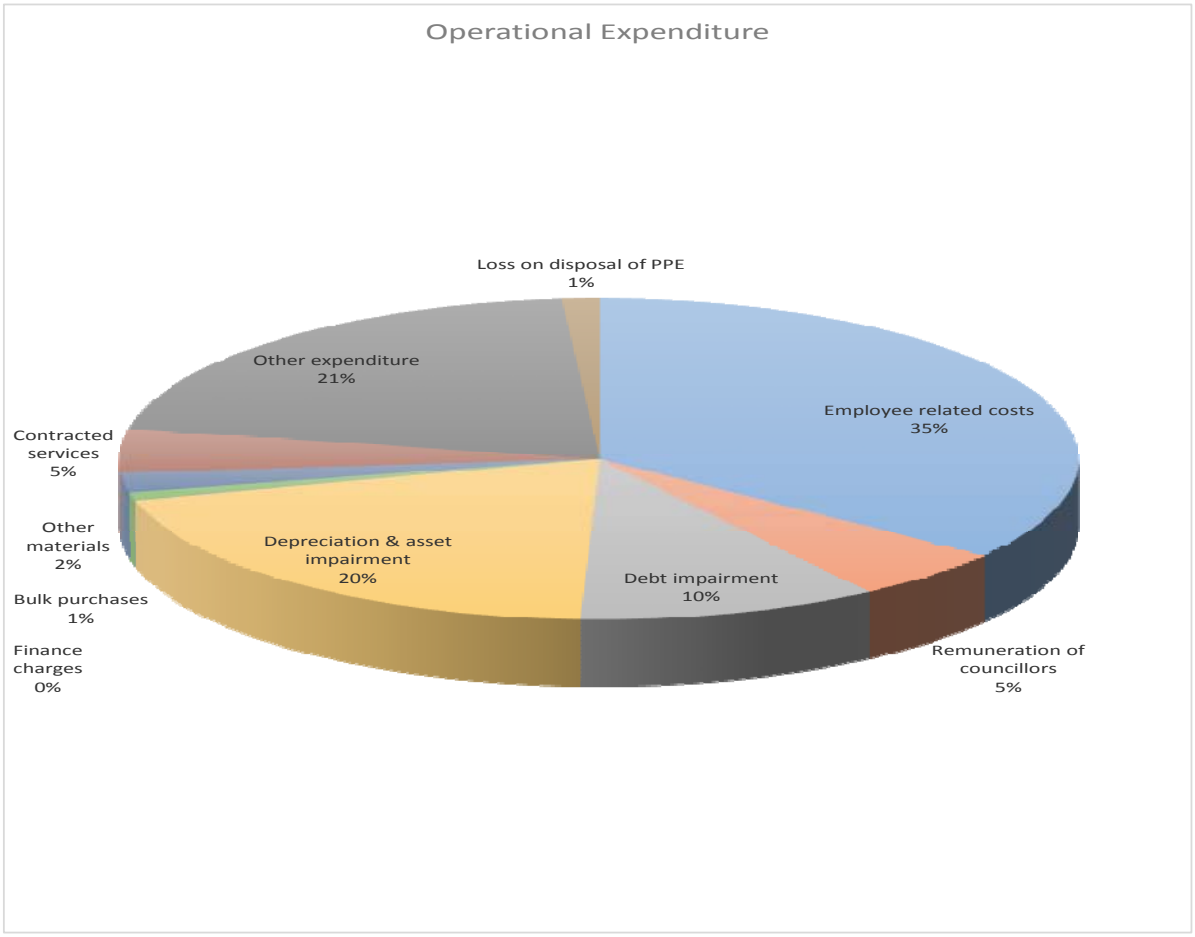
Bulk purchases are directly informed by free basic electricity. The indigents register has been updated and the price increases have been factored into the budget appropriations and directly inform the revenue provisions. The expenditures exclude distribution losses. The municipality has a budget of R1.4 million for free basic electricity, the number of household that qualify for FBE are 6002.

Other material comprises of amongst others the materials for maintenance, cleaning materials and printing and stationery. For 2017/18 the appropriation for this group of expenditure totals R 3.7 million and equals 2.1 per cent of the total operating expenditure. Repairs and maintenance is mostly done in house. The budget for repairs and maintenance is therefore used for the purchasing of materials.

Contracted services are enlisted to render the services that the municipality has no capacity to provide. In the 2017/18 financial year budget for contracted services is R8.3 million, which relates to the rendering of refuse removal and security services. This group of expenditure has escalated by 8.8 percent to R9.3 million for the two outer years, i.e. 2018/19 and 2019/20. This major increase is due to an increase in the number of points were security services are needed and the distance between the landfill site and the municipal collection points.

Other expenditure comprises various line items relating to the daily operations of the municipality. This group of expenditure has also been identified as an area in which cost savings and efficiencies can be achieved. The total other expenditure for 2017/18 is R39, 3 million and escalade to 40.7 percent to R43.1 million for the two outer years.

The following table gives a breakdown of the main expenditure categories for the 2017/18 financial year.



1.6. CAPITAL EXPENDITURE

The following table provides a breakdown of budgeted capital expenditure by vote:

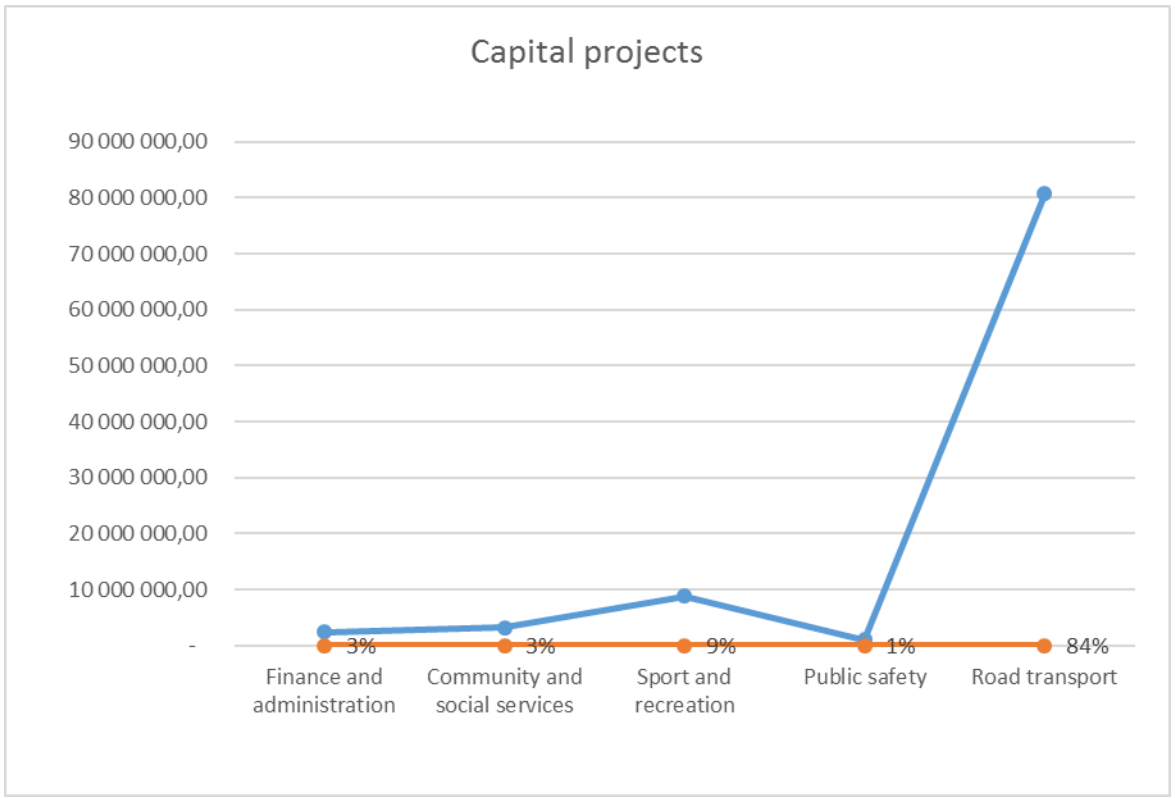
Table 09: 2017/18 Medium-term capital budget per vote

LIM335 Maruleng - Table A5 Budgeted Capital Expenditure by vote, functional classification and funding

Vote Description	Ref	2013/14	2014/15	2015/16	Current Year 2016/17				2017/18 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
Capital expenditure - Vote											
Multi-year expenditure *to be appropriated*	2										
Vote 1 - Executive and Council		–	–	–	–	–	–	–	–	–	–
Vote 2 - Budget and treasury		–	–	–	–	–	–	–	–	–	–
Vote 3 - Corporate Services		2 277	–	–	–	–	–	–	–	–	–
Vote 4 - Planning and Development		–	–	–	–	–	–	–	–	–	–
Vote 5 - Community and Social Services		312	5 257	8 027	10 707	11 214	11 214	–	1 700	–	–
Vote 6 - Sports and Recreation		7 606	4 575	9 463	28 449	30 191	30 191	–	8 760	7 170	6 000
Vote 7 - Waste Management		–	–	–	–	–	–	–	–	–	–
Vote 8 - Waste water Management		3 056	–	–	–	–	–	–	–	–	–
Vote 9 - Roads and Transport		4 880	26 294	19 788	31 744	30 572	30 572	–	80 606	51 000	37 051
Vote 10 - Water		–	–	–	–	–	–	–	–	–	–
Vote 11 - Public Safety		–	–	–	–	–	–	–	–	–	–
Vote 12 - Electricity Distribution		2 555	–	–	–	–	–	–	–	–	–
Vote 13 - [NAME OF VOTE 13]		–	–	–	–	–	–	–	–	–	–
Vote 14 - [NAME OF VOTE 14]		–	–	–	–	–	–	–	–	–	–
Vote 15 - [NAME OF VOTE 15]		–	–	–	–	–	–	–	–	–	–
Capital multi-year expenditure sub-total	7	20 685	36 127	37 278	70 900	71 978	71 978	–	91 066	58 170	43 051
Single-year expenditure *to be appropriated*	2										
Vote 1 - Executive and Council		–	–	–	–	–	–	–	–	–	–
Vote 2 - Budget and treasury		–	–	–	–	–	–	–	–	–	–
Vote 3 - Corporate Services		1 401	5 426	3 179	8 666	8 941	8 941	–	2 419	1 810	2 001
Vote 4 - Planning and Development		–	–	–	–	–	–	–	–	–	–
Vote 5 - Community and Social Services		536	242	–	1 600	1 710	1 710	–	1 500	3 000	4 000
Vote 6 - Sports and Recreation		–	–	–	–	–	–	–	–	–	–
Vote 7 - Waste Management		–	–	–	–	–	–	–	–	–	–
Vote 8 - Waste water Management		–	–	–	–	–	–	–	–	–	–
Vote 9 - Roads and Transport		–	–	–	–	–	–	–	60	–	–
Vote 10 - Water		–	–	–	–	–	–	–	–	–	–
Vote 11 - Public Safety		–	–	–	500	500	500	–	1 000	–	–
Vote 12 - Electricity Distribution		–	–	3 562	–	1 200	1 200	–	–	–	–
Vote 13 - [NAME OF VOTE 13]		–	–	–	–	–	–	–	–	–	–
Vote 14 - [NAME OF VOTE 14]		–	–	–	–	–	–	–	–	–	–
Vote 15 - [NAME OF VOTE 15]		–	–	–	–	–	–	–	–	–	–
Capital single-year expenditure sub-total		1 937	5 668	6 741	10 766	12 351	12 351	–	4 979	4 810	6 001
Total Capital Expenditure - Vote		22 622	41 795	44 019	81 666	84 329	84 329	–	96 045	62 980	49 052
Capital Expenditure - Functional											
Governance and administration		3 678	5 426	3 179	8 666	8 941	8 941	–	2 419	1 810	2 001
Executive and council		–									
Finance and administration		3 678	5 426	3 179	8 666	8 941	8 941		2 419	1 810	2 001
Internal audit											
Community and public safety		8 453	10 075	17 490	41 256	43 616	43 616	–	12 960	10 170	10 000
Community and social services		847	5 500	8 027	12 307	12 924	12 924		3 200	3 000	4 000
Sport and recreation		7 606	4 575	9 463	28 449	30 191	30 191		8 760	7 170	6 000
Public safety				–	500	500	500		1 000	–	–
Housing				–		–	–				
Health				–		–	–				
Economic and environmental services		4 880	26 294	19 788	31 744	30 572	30 572	–	80 666	51 000	37 051
Planning and development											
Road transport		4 880	26 294	19 788	31 744	30 572	30 572		80 666	51 000	37 051
Environmental protection											
Trading services		5 611	–	3 562	–	1 200	1 200	–	–	–	–
Energy sources		2 555		3 562		1 200	1 200		–	–	–
Water management											
Waste water management		3 056									
Waste management											
Other											
Total Capital Expenditure - Functional	3	22 622	41 795	44 019	81 666	84 329	84 329	–	96 045	62 980	49 052
Funded by:											
National Government		16 418	34 830	33 978	47 918	49 660	49 660		27 223	28 600	30 054
Provincial Government											
District Municipality											
Other transfers and grants											
Transfers recognised - capital	4	16 418	34 830	33 978	47 918	49 660	49 660	–	27 223	28 600	30 054
Public contributions & donations	5										
Borrowing	6										
Internally generated funds		6 204	6 965	10 042	33 748	34 669	34 669		68 822	34 380	18 998
Total Capital Funding	7	22 622	41 795	44 019	81 666	84 329	84 329	–	96 045	62 980	49 052

- For 2017/18 an amount of R80.6 million has been appropriated for the development of Roads Transport which represents 84 per cent of the total capital budget. In the outer years this amount totals R56.4 million (80 per cent of the budget) and R51 million (81 percent for each of the budget) two outer financial years. Roads and transport receives the highest allocation for the year ended 2018 followed by sports and recreations facilities with an amount of 8, 7 million which represents 9 percent of total capital expenditure. The municipality put aside the funding from cash-backed surplus which will reduce the projected cash and cash equivalence of R77, 8 million for 30 June 2017 to R51.6 million to pay the capital projects for 2017/18 financial period, which will go towards maintaining a healthy cash/cost coverage and going concern status of the municipality.

The following graph provide a breakdown of the capital budget to be spent on infrastructure related projects over the MTREF



1.7 ANNUAL BUDGET TABLES - PARENT MUNICIPALITY

See annexure copies of Annual budget which represents the ten main budget tables (Table A1 to Table A10) as required in terms of section 8 of the Municipal Budget and Reporting Regulations. These tables set out the municipality's 2017/18 budget and MTREF as approved by the Council.

- **Table 10 – Budget Summary**
- **Explanatory notes to MBRR Table A1 - Budget Summary**

LIM335 Maruleng - Table A1 Budget Summary

Description	2013/14	2014/15	2015/16	Current Year 2016/17				2017/18 Medium Term Revenue & Expenditure Framework		
R thousands	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
Financial Performance										
Property rates	12 594	29 908	32 093	31 587	58 321	58 321	–	51 279	54 202	57 237
Service charges	2 564	3 179	2 586	2 695	3 021	3 021	–	3 607	3 813	4 026
Investment revenue	1 610	2 882	4 401	4 485	5 038	5 038	–	5 361	5 666	5 984
Transfers recognised - operational	68 062	76 724	100 118	94 154	94 154	94 154	–	102 322	110 393	105 337
Other own revenue	6 608	9 170	8 102	11 397	10 128	10 128	–	13 721	8 690	9 176
Total Revenue (excluding capital transfers and contributions)	91 439	121 864	147 301	144 318	170 662	170 662	–	176 290	182 764	181 760
Employee costs	30 705	39 272	45 253	50 489	51 688	51 688	–	66 787	71 462	76 464
Remuneration of councillors	7 665	7 805	9 511	9 832	9 321	9 321	–	10 045	10 648	11 287
Depreciation & asset impairment	28 284	28 841	29 528	33 080	36 080	36 080	–	38 389	40 578	42 850
Finance charges	86	21	46	74	74	74	–	79	84	88
Materials and bulk purchases	2 110	2 267	2 372	4 315	4 656	4 656	–	5 140	5 433	5 738
Transfers and grants	–	–	–	–	–	–	–	–	–	–
Other expenditure	40 264	65 741	58 096	50 513	67 306	67 306	–	69 307	70 256	74 373
Total Expenditure	109 114	143 947	144 806	148 303	169 125	169 125	–	189 748	198 460	210 800
Surplus/(Deficit)	(17 674)	(22 083)	2 495	(3 985)	1 537	1 537	–	(13 458)	(15 696)	(29 039)
Transfers and subsidies - capital (monetary alloc	27 869	34 830	30 068	47 918	49 660	49 660	–	27 223	28 600	30 054
Contributions recognised - capital & contributed a	–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) after capital transfers & contributions	10 195	12 747	32 564	43 933	51 197	51 197	–	13 765	12 904	1 015
Share of surplus/ (deficit) of associate	–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) for the year	10 195	12 747	32 564	43 933	51 197	51 197	–	13 765	12 904	1 015
Capital expenditure & funds sources										
Capital expenditure	22 622	41 795	44 019	81 666	84 329	84 329	–	96 045	62 980	49 052
Transfers recognised - capital	16 418	34 830	33 978	47 918	49 660	49 660	–	27 223	28 600	30 054
Public contributions & donations	–	–	–	–	–	–	–	–	–	–
Borrowing	–	–	–	–	–	–	–	–	–	–
Internally generated funds	6 204	6 965	10 042	33 748	34 669	34 669	–	68 822	34 380	18 998
Total sources of capital funds	22 622	41 795	44 019	81 666	84 329	84 329	–	96 045	62 980	49 052
Financial position										
Total current assets	67 135	69 765	113 407	78 518	95 553	95 553	–	64 884	67 945	76 259
Total non current assets	283 261	295 317	309 873	342 916	326 469	326 469	–	346 984	357 087	349 692
Total current liabilities	17 346	18 748	43 186	16 242	16 242	16 242	–	14 955	15 155	15 050
Total non current liabilities	4 478	6 044	7 241	6 678	7 266	7 266	–	7 350	7 410	7 420
Community wealth/Equity	328 572	340 290	372 854	398 515	398 515	398 515	–	389 563	402 467	403 481
Cash flows										
Net cash from (used) operating	46 664	54 551	84 769	57 514	63 469	63 469	–	60 325	65 830	57 966
Net cash from (used) investing	(32 841)	(40 146)	(52 291)	(65 184)	(70 884)	(70 884)	–	(91 045)	(62 980)	(49 052)
Net cash from (used) financing	(256)	(237)	(208)	–	–	–	–	–	–	–
Cash/cash equivalents at the year end	43 105	57 273	89 543	10 382	82 128	82 128	–	51 408	54 258	63 172
Cash backing/surplus reconciliation										
Cash and investments available	43 105	57 273	89 543	62 382	82 128	82 128	–	51 408	54 258	63 172
Application of cash and investments	(3 504)	6 095	19 681	5 155	4 259	4 259	–	(192)	18 967	19 748
Balance - surplus (shortfall)	46 609	51 178	69 862	57 227	77 869	77 869	–	51 600	35 291	43 423
Asset management										
Asset register summary (WDV)	283 045	295 101	309 657	342 916	326 469	326 469	346 984	346 984	357 087	349 692
Depreciation	28 284	28 841	29 528	33 080	36 080	36 080	38 389	38 389	40 578	42 850
Renewal of Existing Assets	1 660	3 859	6 014	6 182	6 800	6 800	6 800	7 000	11 000	5 000
Repairs and Maintenance	1 297	1 703	1 373	2 280	3 779	3 779	2 452	2 452	2 892	2 610
Free services										
Cost of Free Basic Services provided	–	–	7	7	7	7	7	7	7	7
Revenue cost of free services provided	–	–	–	4 178	2 969	2 969	2 970	2 970	3 139	3 315
Households below minimum service level										
Water:	8	8	8	8	8	8	8	8	8	8
Sanitation/sewerage:	1	1	1	1	1	1	1	1	1	1
Energy:	–	–	–	–	–	–	–	–	–	–
Refuse:	23	23	23	23	23	23	23	23	23	23

1. Table A1 is a budget summary and provides a concise overview of the Municipality's budget from all of the major financial perspectives (operating, capital expenditure, financial position, cash flow, and MFMA funding compliance).

2. The table provides an overview of the amounts approved by Council for operating performance, resources deployed to capital expenditure, financial position, cash and funding compliance, as well as the municipality's commitment to eliminating basic service delivery backlogs.

3. Financial management reforms emphasize the importance of the municipal budget being funded. This requires the simultaneous assessment of the Financial Performance, Financial Position and Cash Flow Budgets, along with the Capital Budget. The Budget Summary provides the key information in this regard:

 a. The operating surplus/deficit (after total expenditure) is positive over the MTREF.
 b. Capital expenditure is balanced by capital funding sources, of which
 I. Transfers recognized are reflected on the Financial Performance Budget;
 II. Internally generated funds are financed from a combination of the current operating surplus and accumulated cash-backed surpluses from previous years. The amount is incorporated in the Net cash from investing on the Cash Flow Budget. The fact that municipality's cash flow remains positive, and is improving indicates that the necessary cash resources are available to fund the Capital Budget.

4. The Council has taken a deliberate decision to ensure adequate cash-backing for all material obligations in accordance with the adopted budget policy. There is progressive improvement in the level of cash-backing of obligations.

5. Even though the Council is placing great emphasis on securing the financial sustainability of the municipality, this is not being done at the expense of services to the poor. The section of free services shows that the amount spent on free basic services and the revenue cost of free services provided by the municipality continues to increase. In addition, the municipality continues to make progress in addressing service delivery backlogs.

- **Table 11 - Budgeted Financial Performance (revenue and expenditure by function classification)**

LIM335 Maruleng - Table A2 Budgeted Financial Performance (revenue and expenditure by functional classification)

Functional Classification Description	Ref	2013/14	2014/15	2015/16	Current Year 2016/17			2017/18 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
Revenue - Functional										
Governance and administration		115 961	147 291	163 868	181 678	209 514	209 514	191 307	199 650	199 444
Executive and council		–	–	–	–	–	–	–	–	–
Finance and administration		115 961	147 291	163 868	181 678	209 514	209 514	191 307	199 650	199 444
Internal audit		–	–	–	–	–	–	–	–	–
Community and public safety		2	183	304	315	323	323	344	363	384
Community and social services		2	183	304	315	323	323	344	363	384
Sport and recreation		–	–	–	–	–	–	–	–	–
Public safety		–	–	–	–	–	–	–	–	–
Housing		–	–	–	–	–	–	–	–	–
Health		–	–	–	–	–	–	–	–	–
Economic and environmental services		781	1 821	2 877	2 317	2 233	2 233	2 689	1 655	1 747
Planning and development		781	1 821	1 895	2 001	1 917	1 917	2 353	1 299	1 372
Road transport		–	–	982	316	316	316	336	355	375
Environmental protection		–	–	–	–	–	–	–	–	–
Trading services		2 564	3 179	6 148	2 695	3 021	3 021	3 607	3 813	4 026
Energy sources		–	–	3 562	–	–	–	–	–	–
Water management		–	–	–	–	–	–	–	–	–
Waste water management		–	–	–	–	–	–	–	–	–
Waste management		2 564	3 179	2 586	2 695	3 021	3 021	3 607	3 813	4 026
Other	4	–	4 220	4 173	5 231	5 231	5 231	5 566	5 883	6 212
Total Revenue - Functional	2	119 308	156 694	177 370	192 236	220 323	220 323	203 513	211 364	211 814
Expenditure - Functional										
Governance and administration		105 172	129 384	124 781	123 712	144 727	144 727	161 181	168 564	179 404
Executive and council		8 797	20 517	25 333	26 936	27 466	27 466	33 420	35 325	37 304
Finance and administration		96 376	108 867	99 447	96 776	117 262	117 262	126 718	132 137	140 937
Internal audit		–	–	–	–	–	–	1 043	1 102	1 164
Community and public safety		424	435	33	244	500	500	960	1 015	1 072
Community and social services		–	–	–	–	–	–	860	909	960
Sport and recreation		424	435	33	244	500	500	100	106	112
Public safety		–	–	–	–	–	–	–	–	–
Housing		–	–	–	–	–	–	–	–	–
Health		–	–	–	–	–	–	–	–	–
Economic and environmental services		637	10 968	15 779	20 075	19 234	19 234	22 528	23 513	24 655
Planning and development		491	5 116	7 697	8 301	8 862	8 862	10 912	11 534	12 189
Road transport		145	5 853	8 081	11 775	10 372	10 372	11 617	11 979	12 467
Environmental protection		–	–	–	–	–	–	–	–	–
Trading services		2 854	3 142	4 192	4 228	4 620	4 620	5 034	5 320	5 618
Energy sources		813	594	999	940	1 332	1 332	1 417	1 498	1 582
Water management		–	–	–	–	–	–	–	–	–
Waste water management		–	–	–	–	–	–	–	–	–
Waste management		2 041	2 548	3 194	3 288	3 288	3 288	3 616	3 823	4 037
Other	4	26	17	21	45	45	45	45	48	50
Total Expenditure - Functional	3	109 114	143 947	144 806	148 303	169 125	169 125	189 748	198 460	210 800
Surplus/(Deficit) for the year		10 195	12 747	32 564	43 933	51 197	51 197	13 765	12 904	1 015

Explanatory notes to MBRR Table A2 - Budgeted Financial Performance (revenue and expenditure by function classification)

1. Table A2 is a view of the budgeted financial performance in relation to revenue and expenditure per function classification. The modified function classification divides the municipal services into 15 functional areas. Municipal revenue, operating expenditure and capital expenditure are then classified in terms if each of these functional areas which enables the National Treasury to compile 'whole of government' reports.
2. The Total Revenue on this table includes capital revenues (Transfers recognized – capital) and so does not balance to the operating revenue shown on Table A4. The total revenue on the Table A4 separated the transfer recognized capital as single item.
3. Note that as a general principle the revenues for trading services should exceed their expenditures. Table 2 shows the surplus of R13.7 million for 2017/18 financial periods,

this prove that the municipality follows section 18 of the MFMA. The municipality shows a surplus for all perspective years.

- **Table 12 - Budgeted Financial Performance (revenue and expenditure by municipal vote)**

LIM335 Maruleng - Table A3 Budgeted Financial Performance (revenue and expenditure by municipal vote)

Vote Description	Ref	2013/14	2014/15	2015/16	Current Year 2016/17			2017/18 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
Revenue by Vote	1									
Vote 1 - Executive and Council		–	–	–	–	–	–	–	–	–
Vote 2 - Budget and treasury		12 594	147 225	163 799	181 625	209 461	209 461	191 250	199 590	199 381
Vote 3 - Corporate Services		103 367	66	69	53	53	53	56	60	63
Vote 4 - Planning and Development		781	505	857	1 001	917	917	1 229	1 299	1 372
Vote 5 - Community and Social Services		2	1 499	1 342	1 315	1 323	1 323	1 468	363	384
Vote 6 - Sports and Recreation		–	–	–	–	–	–	–	–	–
Vote 7 - Waste Management		2 564	3 179	2 586	2 695	3 021	3 021	3 607	3 813	4 026
Vote 8 - Waste water Management		–	–	–	–	–	–	–	–	–
Vote 9 - Roads and Transport		–	4 220	5 155	5 547	5 547	5 547	5 902	6 238	6 588
Vote 10 - Water		–	–	–	–	–	–	–	–	–
Vote 11 - Public Safety		–	–	–	–	–	–	–	–	–
Vote 12 - Electricity Distribution		–	–	3 562	–	–	–	–	–	–
Vote 13 - [NAME OF VOTE 13]		–	–	–	–	–	–	–	–	–
Vote 14 - [NAME OF VOTE 14]		–	–	–	–	–	–	–	–	–
Vote 15 - [NAME OF VOTE 15]		–	–	–	–	–	–	–	–	–
Total Revenue by Vote	2	119 308	156 694	177 370	192 236	220 323	220 323	203 513	211 364	211 814
Expenditure by Vote *to be appropriated*	1									
Vote 1 - Executive and Council		8 797	20 517	25 333	26 816	27 346	27 346	34 196	36 145	38 169
Vote 2 - Budget and treasury		4 189	77 614	68 069	60 529	82 347	82 347	86 385	89 055	95 086
Vote 3 - Corporate Services		92 059	14 015	14 170	16 174	15 957	15 957	19 564	20 829	22 168
Vote 4 - Planning and Development		316	5 116	5 380	5 971	6 712	6 712	7 912	8 363	8 840
Vote 5 - Community and Social Services		303	17 239	19 526	22 524	21 228	21 228	22 684	23 977	25 320
Vote 6 - Sports and Recreation		–	–	–	–	–	–	–	–	–
Vote 7 - Waste Management		2 041	2 548	3 194	3 288	3 288	3 288	3 616	3 823	4 037
Vote 8 - Waste water Management		–	–	–	–	–	–	–	–	–
Vote 9 - Roads and Transport		171	5 870	8 103	11 820	10 417	10 417	13 114	13 861	14 638
Vote 10 - Water		–	–	–	–	–	–	–	–	–
Vote 11 - Public Safety		424	435	33	244	500	500	860	909	960
Vote 12 - Electricity Distribution		813	594	999	940	1 332	1 332	1 417	1 498	1 582
Vote 13 - [NAME OF VOTE 13]		–	–	–	–	–	–	–	–	–
Vote 14 - [NAME OF VOTE 14]		–	–	–	–	–	–	–	–	–
Vote 15 - [NAME OF VOTE 15]		–	–	–	–	–	–	–	–	–
Total Expenditure by Vote	2	109 114	143 947	144 806	148 303	169 125	169 125	189 748	198 460	210 800
Surplus/(Deficit) for the year	2	10 195	12 747	32 564	43 933	51 197	51 197	13 765	12 904	1 015

Explanatory notes to MBRR Table A3 - Budgeted Financial Performance (revenue and expenditure by municipal vote)

- Table A3 is a view of the budgeted financial performance in relation to the revenue and expenditure per municipal vote. This table facilitates the view of the budgeted operating performance in relation to the organizational structure of the municipality. This means it is possible to present the operating surplus or deficit of a vote. The total operating revenue including all grants is R203 million while the operational expenditure has a total amount of R189 million with a surplus of R13, 7 million, included in the budget for 2017/18 financial period is a non-cash items of R60 million, which leave the municipality with an operational expenditure of R129 million excluding non-cash items.

- **Table 13 - Budgeted Financial Performance (revenue and expenditure)**

LIM335 Maruleng - Table A4 Budgeted Financial Performance (revenue and expenditure)

Description	Ref	2013/14	2014/15	2015/16	Current Year 2016/17				2017/18 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
Revenue By Source											
Property rates	2	12 594	29 908	32 093	31 587	58 321	58 321	–	51 279	54 202	57 237
Service charges - electricity revenue	2	–	–	–	–	–	–	–	–	–	–
Service charges - water revenue	2	–	–	–	–	–	–	–	–	–	–
Service charges - sanitation revenue	2	–	–	–	–	–	–	–	–	–	–
Service charges - refuse revenue	2	2 564	3 179	2 586	2 695	3 021	3 021	–	3 607	3 813	4 026
Service charges - other						–	–				
Rental of facilities and equipment		269	325	302	313	321	321		341	361	381
Interest earned - external investments		1 610	2 882	4 401	4 485	5 038	5 038		5 361	5 666	5 984
Interest earned - outstanding debtors		206			328	200	200		213	225	238
Dividends received					–	–	–				
Fines, penalties and forfeits		221	1 030	982	316	316	316		336	355	375
Licences and permits		2 328	2 866	2 522	3 034	3 034	3 034		3 229	3 413	3 604
Agency services		1 952	1 354	1 651	2 197	2 197	2 197		2 337	2 470	2 609
Transfers and subsidies		68 062	76 724	100 118	94 154	94 154	94 154		102 322	110 393	105 337
Other revenue	2	1 631	3 077	2 099	1 509	1 560	1 560	–	1 765	1 866	1 970
Gains on disposal of PPE			519	547	3 700	2 500	2 500		5 500	–	–
Total Revenue (excluding capital transfers and contributions)		91 439	121 864	147 301	144 318	170 662	170 662	–	176 290	182 764	181 760
Expenditure By Type											
Employee related costs	2	30 705	39 272	45 253	50 489	51 688	51 688	–	66 787	71 462	76 464
Remuneration of councillors		7 665	7 805	9 511	9 832	9 321	9 321		10 045	10 648	11 287
Debt impairment	3	2 827	31 021	8 307	4 550	13 404	13 404		19 262	20 360	21 500
Depreciation & asset impairment	2	28 284	28 841	29 528	33 080	36 080	36 080	–	38 389	40 578	42 850
Finance charges		86	21	46	74	74	74		79	84	88
Bulk purchases	2	813	564	999	940	1 332	1 332	–	1 417	1 498	1 582
Other materials	8	1 297	1 703	1 373	3 374	3 324	3 324		3 723	3 935	4 156
Contracted services		5 614	6 819	7 895	8 244	7 284	7 284	–	8 332	8 807	9 300
Transfers and subsidies		–	–	–	–	–	–	–	–	–	–
Other expenditure	4, 5	20 790	26 545	32 555	37 391	37 528	37 528	–	39 363	40 719	43 183
Loss on disposal of PPE		11 033	1 355	9 339	328	9 090	9 090		2 349	369	390
Total Expenditure		109 114	143 947	144 806	148 303	169 125	169 125	–	189 748	198 460	210 800
Surplus/(Deficit)		(17 674)	(22 083)	2 495	(3 985)	1 537	1 537	–	(13 458)	(15 696)	(29 039)
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)		27 869	34 830	30 068	47 918	49 660	49 660		27 223	28 600	30 054
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporatons, Higher	6	–	–	–	–	–	–	–	–	–	–
Transfers and subsidies - capital (in-kind - all)											
Surplus/(Deficit) after capital transfers & contributions		10 195	12 747	32 564	43 933	51 197	51 197	–	13 765	12 904	1 015
Taxation											
Surplus/(Deficit) after taxation		10 195	12 747	32 564	43 933	51 197	51 197	–	13 765	12 904	1 015
Attributable to minorities											
Surplus/(Deficit) attributable to municipality		10 195	12 747	32 564	43 933	51 197	51 197	–	13 765	12 904	1 015
Share of surplus/ (deficit) of associate	7										
Surplus/(Deficit) for the year		10 195	12 747	32 564	43 933	51 197	51 197	–	13 765	12 904	1 015

Explanatory notes to Table A4 - Budgeted Financial Performance (revenue and expenditure)

1. Total revenue excluding capital transfer and contributions is R176.2 million in 2017/18 and increase to R182, 7 million and R181, 7 million for each of the respective years of the MTREF. This shows an increase of 3.2 per cent for 2017/18 when compares to adjusted budget, and the total revenue increase by 3.7 percent and decreased by 1 percent for each of the outer years.
2. Revenue to be generated from property rates in the 2017/18 financial year is R51.2 million and increases to R57.2 million for 2019/20 financial period which represents 29 per cent of the operating revenue base of the municipality and therefore remains a significant funding source for the municipality. It remains relatively constant over the medium-term and tariff increases have been factored in at 6.4 per cent, 5.7 per cent and 5.6 per cent for the two outer years of the MTREF.

3. Other revenue like town planning fees, building plans, clearance certificates, etc. constitutes 1.1 percent of the total operating revenue. For 2017/18 financial period other revenue amounts to R1, 7 million, and consists of 1.8 million and 1.9 million for the two outer's years. Transfers recognized – operating includes the local government equitable share, finance management grants and expanded public works programme. The grants receipts from national government increased by 8 million for 2018/19 financial period and declined by 5 million for 2019/20.

4. Bulk purchases have significantly increased over the 2017/18 to 2019/20 period escalating from R1.4 to R1, 5 million.

6. Employee related costs and contracted services are the main cost drivers within the municipality. The municipality took into consideration circular 86 of the MFMA when increasing their salaries for 2017/18 financial period. The total salaries and wages for 2017/18 to 2019/20 range from R66, 7 to R76, 4 million respectively. The council approved second layer of the management which will be implemented by 2017/18 financial period. The employees related costs equals to 35 percent of the total operating budget while remunerations for councilors contains 5 percent of the total operating budget.

Table 14 - Budgeted Capital Expenditure by vote, standard classification and funding source

LIM335 Maruleng - Table A5 Budgeted Capital Expenditure by vote, functional classification and funding

Vote Description	Ref	2013/14	2014/15	2015/16	Current Year 2016/17				2017/18 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
Capital expenditure - Vote											
Multi-year expenditure *to be appropriated*	2										
Vote 1 - Executive and Council		–	–	–	–	–	–	–	–	–	–
Vote 2 - Budget and treasury		–	–	–	–	–	–	–	–	–	–
Vote 3 - Corporate Services		2 277	–	–	–	–	–	–	–	–	–
Vote 4 - Planning and Development		–	–	–	–	–	–	–	–	–	–
Vote 5 - Community and Social Services		312	5 257	8 027	10 707	11 214	11 214	–	1 700	–	–
Vote 6 - Sports and Recreation		7 606	4 575	9 463	28 449	30 191	30 191	–	8 760	7 170	6 000
Vote 7 - Waste Management		–	–	–	–	–	–	–	–	–	–
Vote 8 - Waste water Management		3 056	–	–	–	–	–	–	–	–	–
Vote 9 - Roads and Transport		4 880	26 294	19 788	31 744	30 572	30 572	–	80 606	51 000	37 051
Vote 10 - Water		–	–	–	–	–	–	–	–	–	–
Vote 11 - Public Safety		–	–	–	–	–	–	–	–	–	–
Vote 12 - Electricity Distribution		2 555	–	–	–	–	–	–	–	–	–
Vote 13 - [NAME OF VOTE 13]		–	–	–	–	–	–	–	–	–	–
Vote 14 - [NAME OF VOTE 14]		–	–	–	–	–	–	–	–	–	–
Vote 15 - [NAME OF VOTE 15]		–	–	–	–	–	–	–	–	–	–
Capital multi-year expenditure sub-total	7	20 685	36 127	37 278	70 900	71 978	71 978	–	91 066	58 170	43 051
Single-year expenditure *to be appropriated*	2										
Vote 1 - Executive and Council		–	–	–	–	–	–	–	–	–	–
Vote 2 - Budget and treasury		–	–	–	–	–	–	–	–	–	–
Vote 3 - Corporate Services		1 401	5 426	3 179	8 666	8 941	8 941	–	2 419	1 810	2 001
Vote 4 - Planning and Development		–	–	–	–	–	–	–	–	–	–
Vote 5 - Community and Social Services		536	242	–	1 600	1 710	1 710	–	1 500	3 000	4 000
Vote 6 - Sports and Recreation		–	–	–	–	–	–	–	–	–	–
Vote 7 - Waste Management		–	–	–	–	–	–	–	–	–	–
Vote 8 - Waste water Management		–	–	–	–	–	–	–	–	–	–
Vote 9 - Roads and Transport		–	–	–	–	–	–	–	60	–	–
Vote 10 - Water		–	–	–	–	–	–	–	–	–	–
Vote 11 - Public Safety		–	–	–	500	500	500	–	1 000	–	–
Vote 12 - Electricity Distribution		–	–	3 562	–	1 200	1 200	–	–	–	–
Vote 13 - [NAME OF VOTE 13]		–	–	–	–	–	–	–	–	–	–
Vote 14 - [NAME OF VOTE 14]		–	–	–	–	–	–	–	–	–	–
Vote 15 - [NAME OF VOTE 15]		–	–	–	–	–	–	–	–	–	–
Capital single-year expenditure sub-total		1 937	5 668	6 741	10 766	12 351	12 351	–	4 979	4 810	6 001
Total Capital Expenditure - Vote		22 622	41 795	44 019	81 666	84 329	84 329	–	96 045	62 980	49 052
Capital Expenditure - Functional											
Governance and administration		3 678	5 426	3 179	8 666	8 941	8 941	–	2 419	1 810	2 001
Executive and council		–									
Finance and administration		3 678	5 426	3 179	8 666	8 941	8 941		2 419	1 810	2 001
Internal audit											
Community and public safety		8 453	10 075	17 490	41 256	43 616	43 616	–	12 960	10 170	10 000
Community and social services		847	5 500	8 027	12 307	12 924	12 924		3 200	3 000	4 000
Sport and recreation		7 606	4 575	9 463	28 449	30 191	30 191		8 760	7 170	6 000
Public safety				–	500	500	500		1 000	–	–
Housing				–		–	–				
Health				–		–	–				
Economic and environmental services		4 880	26 294	19 788	31 744	30 572	30 572	–	80 666	51 000	37 051
Planning and development											
Road transport		4 880	26 294	19 788	31 744	30 572	30 572		80 666	51 000	37 051
Environmental protection											
Trading services		5 611	–	3 562	–	1 200	1 200	–	–	–	–
Energy sources		2 555		3 562		1 200	1 200		–	–	–
Water management											
Waste water management		3 056									
Waste management											
Other											
Total Capital Expenditure - Functional	3	22 622	41 795	44 019	81 666	84 329	84 329	–	96 045	62 980	49 052
Funded by:											
National Government		16 418	34 830	33 978	47 918	49 660	49 660		27 223	28 600	30 054
Provincial Government											
District Municipality											
Other transfers and grants											
Transfers recognised - capital	4	16 418	34 830	33 978	47 918	49 660	49 660	–	27 223	28 600	30 054
Public contributions & donations	5										
Borrowing	6										
Internally generated funds		6 204	6 965	10 042	33 748	34 669	34 669		68 822	34 380	18 998
Total Capital Funding	7	22 622	41 795	44 019	81 666	84 329	84 329	–	96 045	62 980	49 052

Explanatory notes to Table A5 - Budgeted Capital Expenditure by vote, standard classification and funding source

1. Table A5 is a breakdown of the capital programme in relation to capital expenditure by municipal vote (multi-year and single-year appropriations); capital expenditure by standard classification; and the funding sources necessary to fund the capital budget, including information on capital transfers from national and provincial departments.

2. The MFMA provides that a municipality may approve multi-year or single-year capital budget appropriations. In relation to multi-year appropriations, an amount of R4.9 million has been allocated for capital expenditure for single year for 2017/18 and R91 million has been allocated for multiyear capital expenditure for the same financial period.
3. The capital programme is funded from national grants and transfers and internally generated funds from both current year surplus and cash-backed accumulated surplus. Capital funds transfers for 2017/18 by national government is R27.2 million and own funding (internally generated funds) amounts to R36.4 million. The municipality will pay capital expenditure with a surplus of R60.3 million surplus from statement of financial performance when the non-cash items are excluded, the difference will be from cash backed reserves.

Table 15 - Budgeted Financial Position

LIM335 Maruleng - Table A6 Budgeted Financial Position

Description	Ref	2013/14	2014/15	2015/16	Current Year 2016/17				2017/18 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
ASSETS											
Current assets											
Cash		521	5 807	14 676	10 382	6 382	6 382		7 825	7 958	6 784
Call investment deposits	1	42 584	51 466	74 867	52 000	75 746	75 746	–	43 583	46 300	56 388
Consumer debtors	1	2 062	3 682	4 396	7 100	4 408	4 408	–	4 650	4 670	4 350
Other debtors		21 884	8 744	19 419	8 950	8 950	8 950		8 768	8 958	8 678
Current portion of long-term receivables											
Inventory	2	84	67	49	87	67	67		58	59	60
Total current assets		67 135	69 765	113 407	78 518	95 553	95 553	–	64 884	67 945	76 259
Non current assets											
Long-term receivables											
Investments											
Investment property		3 680	3 931	4 426	4 184	4 426	4 426		4 451	4 476	4 471
Investment in Associate											
Property, plant and equipment	3	278 987	290 397	304 444	337 993	321 304	321 304	–	341 733	351 131	343 016
Agricultural											
Biological											
Intangible		378	773	788	740	740	740		800	1 480	2 206
Other non-current assets		216	216	216		–					
Total non current assets		283 261	295 317	309 873	342 916	326 469	326 469	–	346 984	357 087	349 692
TOTAL ASSETS		350 396	365 082	423 281	421 435	422 022	422 022	–	411 868	425 032	425 951
LIABILITIES											
Current liabilities											
Bank overdraft	1										
Borrowing	4	181	–	–	–	–	–	–	–	–	–
Consumer deposits											
Trade and other payables	4	12 663	14 925	38 681	12 932	12 932	12 932	–	10 400	10 100	9 950
Provisions		4 503	3 823	4 505	3 310	3 310	3 310		4 555	5 055	5 100
Total current liabilities		17 346	18 748	43 186	16 242	16 242	16 242	–	14 955	15 155	15 050
Non current liabilities											
Borrowing		–	–	–	–	–	–	–	–	–	–
Provisions		4 478	6 044	7 241	6 678	7 266	7 266	–	7 350	7 410	7 420
Total non current liabilities		4 478	6 044	7 241	6 678	7 266	7 266	–	7 350	7 410	7 420
TOTAL LIABILITIES		21 824	24 792	50 427	22 920	23 508	23 508	–	22 305	22 565	22 470
NET ASSETS	5	328 572	340 290	372 854	398 515	398 515	398 515	–	389 563	402 467	403 481
COMMUNITY WEALTH/EQUITY											
Accumulated Surplus/(Deficit)		328 572	340 290	372 854	398 515	398 515	398 515		389 563	402 467	403 481
Reserves	4	–	–	–	–	–	–	–	–	–	–
TOTAL COMMUNITY WEALTH/EQUITY	5	328 572	340 290	372 854	398 515	398 515	398 515	–	389 563	402 467	403 481

Explanatory notes to Table A6 - Budgeted Financial Position

1. Table A6 is consistent with international standards of good financial management practice, and improves understandability for councilors and management of the impact of the budget on the statement of financial position (balance sheet).

2. This format of presenting the statement of financial position is aligned to GRAP1, which is generally aligned to the international version which presents assets liabilities as "accounting" community wealth. The order of items within each group illustrates items in order of liquidity; i.e. assets readily converted to cash, or liabilities immediately required to be met from cash, appear first.

3. Table A6 is supported by an extensive table of notes SA3 which providing a detailed analysis of the major components of a number of items, including:
 - Call investments deposits;
 - Consumer debtors;
 - Property, plant and equipment;
 - Trade and other payables;
 - Provisions noncurrent;
 - Changes in net assets; and
 - Reserves
4. The municipal equivalent of equity is community wealth/equity. The justification is that ownership and the net assets of the municipality belong to the community. The municipality has an accumulated surplus/net assets of R389 million. The total assets with a total of R411 while the total liabilities is R22 million. According to the ratio, the municipality is in a favorable situation , the total assets is more than the total liabilies which means the municipality will be able to pay their creditors.

5. Any movement on the budgeted financial performance or the capital budget will inevitably impact on the budgeted financial position. As an example, the collection rate assumption will impact on the cash position of the municipality and subsequently inform the level of cash and cash equivalents at year end. Similarly, the collection rate assumption should inform the budget appropriation for debt impairment which in turn would impact on the provision for bad debt. These budget and planning assumptions form a critical link in determining the applicability and relevance of the budget as well as the determination of ratios and financial indicators. In addition the funding compliance assessment is informed directly by forecasting the statement of financial position.

Table 16 - Budgeted Cash Flow Statement

LIM335 Maruleng - Table A7 Budgeted Cash Flows

Description	Ref	2013/14	2014/15	2015/16	Current Year 2016/17				2017/18 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
CASH FLOW FROM OPERATING ACTIVITIES											
Receipts											
Property rates		12 594	22 383	23 827	29 087	33 754	33 754		37 974	40 139	42 387
Service charges		481	483	2 917	2 145	4 543	4 543		3 115	3 298	3 388
Other revenue		1 621	6 795	6 952	7 313	6 480	6 480		8 145	8 335	8 791
Government - operating	1	73 548	72 533	119 807	94 154	94 154	94 154		102 322	110 393	105 337
Government - capital	1	27 869	34 830	30 068	29 418	29 418	29 418		27 223	28 600	30 054
Interest		1 816	2 882	4 401	4 485	5 288	5 288		5 574	5 881	6 201
Dividends				–	–	–	–		–	–	–
Payments											
Suppliers and employees		(71 180)	(85 334)	(103 157)	(109 014)	(110 093)	(110 093)		(123 950)	(130 732)	(138 103)
Finance charges		(86)	(21)	(46)	(74)	(74)	(74)		(79)	(84)	(88)
Transfers and Grants	1				–				–	–	–
NET CASH FROM/(USED) OPERATING ACTIVITIES		46 664	54 551	84 769	57 514	63 469	63 469	–	60 325	65 830	57 966
CASH FLOWS FROM INVESTING ACTIVITIES											
Receipts											
Proceeds on disposal of PPE		(10 349)	–		3 700				5 000	–	–
Decrease (Increase) in non-current debtors									–	–	–
Decrease (increase) other non-current receivables									–	–	–
Decrease (increase) in non-current investments									–	–	–
Payments											
Capital assets		(22 492)	(40 146)	(52 291)	(68 884)	(70 884)	(70 884)		(96 045)	(62 980)	(49 052)
NET CASH FROM/(USED) INVESTING ACTIVITIES		(32 841)	(40 146)	(52 291)	(65 184)	(70 884)	(70 884)	–	(91 045)	(62 980)	(49 052)
CASH FLOWS FROM FINANCING ACTIVITIES											
Receipts											
Short term loans									–	–	–
Borrowing long term/refinancing		(256)	(237)	(208)					–	–	–
Increase (decrease) in consumer deposits									–	–	–
Payments											
Repayment of borrowing									–	–	–
NET CASH FROM/(USED) FINANCING ACTIVITIES		(256)	(237)	(208)	–	–	–	–	–	–	–
NET INCREASE/ (DECREASE) IN CASH HELD		13 566	14 168	32 270	(7 670)	(7 415)	(7 415)	–	(30 720)	2 850	8 913
Cash/cash equivalents at the year begin:	2	29 539	43 105	57 273	18 052	89 543	89 543		82 128	51 408	54 258
Cash/cash equivalents at the year end:	2	43 105	57 273	89 543	10 382	82 128	82 128	–	51 408	54 258	63 172

- **Explanatory notes to Table A7 - Budgeted Cash Flow Statement**

1. The budgeted cash flow statement is the first measurement in determining if the budget is funded.

2. It shows the expected level of cash in-flow versus cash out-flow that is likely to result from the implementation of the budget.

3. The 2017/18 MTREF has been informed by the planning principle of ensuring adequate cash reserves over the medium-term.

4. The municipality has a positive cash equivalent at year end with an amount of 51.4 million for 2017/18 and 63.1 million for 2019/20 financial period. The cash flow statement shows the positive movement from 2013/14 to 2019/2020.

Table 17 - Cash Backed Reserves/Accumulated Surplus Reconciliation

LIM335 Maruleng - Table A8 Cash backed reserves/accumulated surplus reconciliation

Description	Ref	2013/14	2014/15	2015/16	Current Year 2016/17				2017/18 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
Cash and investments available											
Cash/cash equivalents at the year end	1	43 105	57 273	89 543	10 382	82 128	82 128	–	51 408	54 258	63 172
Other current investments > 90 days		(0)	0	(0)	52 000	(0)	(0)	–	–	–	–
Non current assets - Investments	1	–	–	–	–	–	–	–	–	–	–
Cash and investments available:		43 105	57 273	89 543	62 382	82 128	82 128	–	51 408	54 258	63 172
Application of cash and investments											
Unspent conditional transfers		9 227	5 036	24 724	3 500	3 500	3 500	–	1 500	1 000	1 250
Unspent borrowing		–	–	–	–	–	–		–	–	–
Statutory requirements	2								(20 500)		
Other working capital requirements	3	(12 731)	1 059	(5 043)	(5 305)	759	759	–	(1 568)	(1 477)	(1 392)
Other provisions									11 905	12 465	12 520
Long term investments committed	4	–	–	–	–	–	–	–	–	–	–
Reserves to be backed by cash/investments	5				6 959				8 471	6 979	7 370
Total Application of cash and investments:		(3 504)	6 095	19 681	5 155	4 259	4 259	–	(192)	18 967	19 748
Surplus(shortfall)		46 609	51 178	69 862	57 227	77 869	77 869	–	51 600	35 291	43 423

- **Explanatory notes to Table A8 - Cash Backed Reserves/Accumulated Surplus Reconciliation**

1. The cash backed reserves/accumulated surplus reconciliation is aligned to the requirements of MFMA Circular 42 – Funding a Municipal Budget.

2. In essence the table evaluates the funding levels of the budget by firstly forecasting the cash and investments at year end and secondly reconciling the available funding to the liabilities/commitments that exist.

3. The outcome of this exercise for the financial year 2017/18 is a surplus, which indicates that the cash and investments available exceed the applications, which is further indicative of compliance with the MFMA requirements that the municipality's budget must be funded. The municipality shows the positive movement for all the years.

4. Non-compliance with section 18 of the MFMA is assumed because a shortfall would indirectly indicate that the annual budget is not appropriately funded.

5. Considering the requirements of section 18 of the MFMA, it can be shown that municipality has funded all the projects by having the positive cash

6. As part of the budgeting and planning guidelines that informed the compilation of the 2017/18 MTREF the end objective of the medium-term framework was to ensure the budget is funded aligned to section 18 of the MFMA. The municipality is anticipated to receive R20,5 for Vat recovery and will pay the provision of R11.9 million and funds other capital project from cash reserve with an amount of R8,4 million for 2017/18 financial period.

Table 18- Asset Management (refer to A1 Schedule)

LIM335 Maruleng - Table A9 Asset Management

Description	Ref	2013/14	2014/15	2015/16	Current Year 2016/17			2017/18 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
CAPITAL EXPENDITURE										
Total New Assets	1	20 962	37 936	38 005	75 484	77 529	77 529	89 045	51 980	44 052
Roads Infrastructure		3 220	22 436	13 774	26 062	24 272	24 272	74 666	40 000	32 051
Storm water Infrastructure		3 056	–	–	–	–	–	–	–	–
Electrical Infrastructure		2 555	–	3 562	–	1 200	1 200	–	–	–
Water Supply Infrastructure		–	–	–	–	–	–	–	–	–
Sanitation Infrastructure		–	–	–	–	–	–	–	–	–
Solid Waste Infrastructure		–	–	–	–	–	–	–	–	–
Rail Infrastructure		–	–	–	–	–	–	–	–	–
Coastal Infrastructure		–	–	–	–	–	–	–	–	–
Information and Communication Infrastructure		–	–	–	–	–	–	–	–	–
Infrastructure		*8 831*	*22 436*	*17 336*	*26 062*	*25 472*	*25 472*	*74 666*	*40 000*	*32 051*
Community Facilities		847	5 500	8 027	12 307	12 924	12 924	3 200	3 000	4 000
Sport and Recreation Facilities		7 606	4 575	9 463	28 449	30 191	30 191	8 760	7 170	6 000
Community Assets		*8 453*	*10 075*	*17 490*	*40 756*	*43 116*	*43 116*	*11 960*	*10 170*	*10 000*
Heritage Assets		–	–	–	–	–	–	–	–	–
Revenue Generating		–	–	–	–	–	–	–	–	–
Non-revenue Generating		–	–	–	–	–	–	–	–	–
Investment properties		–	–	–	–	–	–	–	–	–
Operational Buildings		2 306	791	706	3 850	1 025	1 025	250	250	275
Housing		–	–	–	–	–	–	–	–	–
Other Assets		*2 306*	*791*	*706*	*3 850*	*1 025*	*1 025*	*250*	*250*	*275*
Biological or Cultivated Assets		–	–	–	–	–	–	–	–	–
Servitudes		–	–	–	–	–	–	–	–	–
Licences and Rights		–	490	183	–	–	–	–	–	–
Intangible Assets		–	*490*	*183*	–	–	–	–	–	–
Computer Equipment		771	105	482	1 370	1 420	1 420	1 053	760	876
Furniture and Office Equipment		388	38	287	1 446	1 496	1 496	808	800	850
Machinery and Equipment		213	498	597	–	–	–	308	–	–
Transport Assets		–	3 504	925	2 000	5 000	5 000	–	–	–
Libraries		–	–	–	–	–	–	–	–	–
Zoo's, Marine and Non-biological Animals		–	–	–	–	–	–	–	–	–
Total Renewal of Existing Assets	2	1 660	3 859	6 014	6 182	6 800	6 800	7 000	11 000	5 000
Roads Infrastructure		1 660	3 859	6 014	6 182	6 800	6 800	7 000	11 000	5 000
Storm water Infrastructure		–	–	–	–	–	–	–	–	–
Electrical Infrastructure		–	–	–	–	–	–	–	–	–
Water Supply Infrastructure		–	–	–	–	–	–	–	–	–
Sanitation Infrastructure		–	–	–	–	–	–	–	–	–
Solid Waste Infrastructure		–	–	–	–	–	–	–	–	–
Rail Infrastructure		–	–	–	–	–	–	–	–	–
Coastal Infrastructure		–	–	–	–	–	–	–	–	–
Information and Communication Infrastructure		–	–	–	–	–	–	–	–	–
Infrastructure		*1 660*	*3 859*	*6 014*	*6 182*	*6 800*	*6 800*	*7 000*	*11 000*	*5 000*
Community Facilities		–	–	–	–	–	–	–	–	–
Sport and Recreation Facilities		–	–	–	–	–	–	–	–	–
Community Assets		–	–	–	–	–	–	–	–	–
Heritage Assets		–	–	–	–	–	–	–	–	–
Revenue Generating		–	–	–	–	–	–	–	–	–
Non-revenue Generating		–	–	–	–	–	–	–	–	–
Investment properties		–	–	–	–	–	–	–	–	–
Operational Buildings		–	–	–	–	–	–	–	–	–
Housing		–	–	–	–	–	–	–	–	–
Other Assets		–	–	–	–	–	–	–	–	–
Biological or Cultivated Assets		–	–	–	–	–	–	–	–	–
Servitudes		–	–	–	–	–	–	–	–	–
Licences and Rights		–	–	–	–	–	–	–	–	–
Intangible Assets		–	–	–	–	–	–	–	–	–
Computer Equipment		–	–	–	–	–	–	–	–	–
Furniture and Office Equipment		–	–	–	–	–	–	–	–	–
Machinery and Equipment		–	–	–	–	–	–	–	–	–
Transport Assets		–	–	–	–	–	–	–	–	–
Libraries		–	–	–	–	–	–	–	–	–
Zoo's, Marine and Non-biological Animals		–	–	–	–	–	–	–	–	–
Total Upgrading of Existing Assets	6	–	–	–	–	–	–	–	–	–
Roads Infrastructure		–	–	–	–	–	–	–	–	–
Storm water Infrastructure		–	–	–	–	–	–	–	–	–
Electrical Infrastructure		–	–	–	–	–	–	–	–	–
Water Supply Infrastructure		–	–	–	–	–	–	–	–	–
Sanitation Infrastructure		–	–	–	–	–	–	–	–	–
Solid Waste Infrastructure		–	–	–	–	–	–	–	–	–
Rail Infrastructure		–	–	–	–	–	–	–	–	–
Coastal Infrastructure		–	–	–	–	–	–	–	–	–
Information and Communication Infrastructure		–	–	–	–	–	–	–	–	–
Infrastructure		–	–	–	–	–	–	–	–	–
Community Facilities		–	–	–	–	–	–	–	–	–
Sport and Recreation Facilities		–	–	–	–	–	–	–	–	–
Community Assets		–	–	–	–	–	–	–	–	–
Heritage Assets		–	–	–	–	–	–	–	–	–
Revenue Generating		–	–	–	–	–	–	–	–	–
Non-revenue Generating		–	–	–	–	–	–	–	–	–
Investment properties		–	–	–	–	–	–	–	–	–
Operational Buildings		–	–	–	–	–	–	–	–	–
Housing		–	–	–	–	–	–	–	–	–
Other Assets		–	–	–	–	–	–	–	–	–
Biological or Cultivated Assets		–	–	–	–	–	–	–	–	–
Servitudes		–	–	–	–	–	–	–	–	–
Licences and Rights		–	–	–	–	–	–	–	–	–
Intangible Assets		–	–	–	–	–	–	–	–	–
Computer Equipment		–	–	–	–	–	–	–	–	–
Furniture and Office Equipment		–	–	–	–	–	–	–	–	–
Machinery and Equipment		–	–	–	–	–	–	–	–	–
Transport Assets		–	–	–	–	–	–	–	–	–
Libraries		–	–	–	–	–	–	–	–	–
Zoo's, Marine and Non-biological Animals		–	–	–	–	–	–	–	–	–
Total Capital Expenditure	4	4 880	26 294	19 788	32 244	31 072	31 072	81 666	51 000	37 051
Roads Infrastructure		3 056	–	–	–	–	–	–	–	–
Storm water Infrastructure		2 555	–	3 562	–	1 200	1 200	–	–	–
Electrical Infrastructure		–	–	–	–	–	–	–	–	–
Water Supply Infrastructure		–	–	–	–	–	–	–	–	–
Sanitation Infrastructure		–	–	–	–	–	–	–	–	–
Solid Waste Infrastructure		–	–	–	–	–	–	–	–	–
Rail Infrastructure		–	–	–	–	–	–	–	–	–
Coastal Infrastructure		–	–	–	–	–	–	–	–	–
Information and Communication Infrastructure		–	–	–	–	–	–	–	–	–
Infrastructure		*10 491*	*26 294*	*23 350*	*32 244*	*32 272*	*32 272*	*81 666*	*51 000*	*37 051*
Community Facilities		847	5 500	8 027	12 307	12 924	12 924	3 200	3 000	4 000
Sport and Recreation Facilities		7 606	4 575	9 463	28 449	30 191	30 191	8 760	7 170	6 000
Community Assets		*8 453*	*10 075*	*17 490*	*40 756*	*43 116*	*43 116*	*11 960*	*10 170*	*10 000*
Heritage Assets		–	–	–	–	–	–	–	–	–
Revenue Generating		–	–	–	–	–	–	–	–	–
Non-revenue Generating		–	–	–	–	–	–	–	–	–
Investment properties		–	–	–	–	–	–	–	–	–
Operational Buildings		2 306	791	706	3 850	1 025	1 025	250	250	275
Housing		–	–	–	–	–	–	–	–	–
Other Assets		*2 306*	*791*	*706*	*3 850*	*1 025*	*1 025*	*250*	*250*	*275*
Biological or Cultivated Assets		–	–	–	–	–	–	–	–	–
Servitudes		–	–	–	–	–	–	–	–	–
Licences and Rights		–	490	183	–	–	–	–	–	–
Intangible Assets		–	*490*	*183*	–	–	–	–	–	–
Computer Equipment		771	105	482	1 370	1 420	1 420	1 053	760	876
Furniture and Office Equipment		388	38	287	1 446	1 496	1 496	808	800	850
Machinery and Equipment		213	498	597	–	–	–	308	–	–
Transport Assets		–	3 504	925	2 000	5 000	5 000	–	–	–
Libraries		–	–	–	–	–	–	–	–	–
Zoo's, Marine and Non-biological Animals		–	–	–	–	–	–	–	–	–
TOTAL CAPITAL EXPENDITURE - Asset class		22 622	41 795	44 019	81 666	84 329	84 329	96 045	62 980	49 052
ASSET REGISTER SUMMARY - PPE (WDV)	5	92 382	100 273	108 306	132 219	120 719	120 719	135 332	139 434	126 777
Roads Infrastructure										
Storm water Infrastructure										
Electrical Infrastructure										
Water Supply Infrastructure										
Sanitation Infrastructure										
Solid Waste Infrastructure										
Rail Infrastructure										
Coastal Infrastructure										
Information and Communication Infrastructure										
Infrastructure		*92 382*	*100 273*	*108 306*	*132 219*	*120 719*	*120 719*	*135 332*	*139 434*	*126 777*
Community Facilities										
Sport and Recreation Facilities										
Community Assets					–	–	–	–	–	–
Heritage Assets		216	216	216						
Revenue Generating		3 680	3 931	4 426	4 184	4 426	4 426	4 451	4 476	4 471
Non-revenue Generating										
Investment properties		*3 680*	*3 931*	*4 426*	*4 184*	*4 426*	*4 426*	*4 451*	*4 476*	*4 471*
Operational Buildings		179 152	180 487	185 448	188 944	183 755	183 755	190 948	192 948	194 448
Housing										
Other Assets		*179 152*	*180 487*	*185 448*	*188 944*	*183 755*	*183 755*	*190 948*	*192 948*	*194 448*
Biological or Cultivated Assets										
Servitudes										
Licences and Rights		378	773	788	740	740	740	800	1 480	2 206
Intangible Assets		*378*	*773*	*788*	*740*	*740*	*740*	*800*	*1 480*	*2 206*
Computer Equipment		793	711	1 076	1 856	1 856	1 856	1 529	1 629	1 779
Furniture and Office Equipment		2 328	2 654	2 162	3 912	3 912	3 912	3 270	4 070	4 920
Machinery and Equipment		1 100	356	896	1 896	1 896	1 896	1 204	1 155	997
Transport Assets		3 091	5 796	6 459	9 042	9 042	9 042	7 959	10 459	12 659
Libraries		145	120	97	124	124	124	1 490	1 435	1 435
Zoo's, Marine and Non-biological Animals										
TOTAL ASSET REGISTER SUMMARY - PPE (WDV)	5	283 045	295 101	309 657	342 916	326 469	326 469	346 984	357 087	349 692
EXPENDITURE OTHER ITEMS										
Depreciation	7	28 284	28 841	29 528	33 080	36 080	36 080	38 389	40 578	42 850
Repairs and Maintenance by Asset Class	3	1 297	1 703	1 373	2 280	3 779	3 779	2 452	2 892	2 610
Roads Infrastructure		145	232	83	600	800	800	562	594	500
Storm water Infrastructure		–	–	–	–	–	–	–	–	–
Electrical Infrastructure		225	24	–	100	100	100	200	211	223
Water Supply Infrastructure		–	–	–	–	–	–	–	–	–
Sanitation Infrastructure		–	–	–	–	–	–	–	–	–
Solid Waste Infrastructure		–	–	–	–	–	–	–	–	–
Rail Infrastructure		–	–	–	–	–	–	–	–	–
Coastal Infrastructure		–	–	–	–	–	–	–	–	–
Information and Communication Infrastructure		–	–	–	–	–	–	–	–	–
Infrastructure		*370*	*255*	*83*	*700*	*900*	*900*	*762*	*805*	*723*
Community Facilities		46	71	47	78	78	78	100	106	112
Sport and Recreation Facilities		–	–	–	–	–	–	–	–	–
Community Assets		*46*	*71*	*47*	*78*	*78*	*78*	*100*	*106*	*112*
Heritage Assets		–	–	–	–	–	–	–	–	–
Revenue Generating		–	–	–	–	–	–	–	–	–
Non-revenue Generating		–	–	–	–	–	–	–	–	–
Investment properties		–	–	–	–	–	–	–	–	–
Operational Buildings		564	577	877	550	1 822	1 822	500	829	558
Housing		–	–	–	–	–	–	–	–	–
Other Assets		*564*	*577*	*877*	*550*	*1 822*	*1 822*	*500*	*829*	*558*
Biological or Cultivated Assets		–	–	–	–	–	–	–	–	–
Servitudes		–	–	–	–	–	–	–	–	–
Licences and Rights		–	–	–	–	–	–	–	–	–
Intangible Assets		–	–	–	–	–	–	–	–	–
Computer Equipment		–	–	–	–	–	–	–	–	–
Furniture and Office Equipment		–	–	–	–	–	–	–	–	–
Machinery and Equipment		4	412	4	505	531	531	590	624	659
Transport Assets		312	388	362	450	450	450	500	529	558
Libraries		–	–	–	–	–	–	–	–	–
Zoo's, Marine and Non-biological Animals		–	–	–	–	–	–	–	–	–
TOTAL EXPENDITURE OTHER ITEMS		29 581	30 544	30 901	35 360	39 859	39 859	40 841	43 489	45 460
Renewal and upgrading of Existing Assets as % of total capex		*7,3%*	*9,2%*	*13,7%*	*7,6%*	*8,1%*	*8,1%*	*7,3%*	*17,5%*	*10,2%*
Renewal and upgrading of Existing Assets as % of deprecn		*5,9%*	*13,4%*	*20,4%*	*18,7%*	*18,8%*	*18,8%*	*18,2%*	*27,1%*	*11,7%*
R&M as a % of PPE		*0,5%*	*0,6%*	*0,5%*	*0,7%*	*1,2%*	*1,2%*	*0,7%*	*0,8%*	*0,8%*
Renewal and upgrading and R&M as a % of PPE		*1,0%*	*2,0%*	*2,0%*	*2,0%*	*3,0%*	*3,0%*	*3,0%*	*4,0%*	*2,0%*

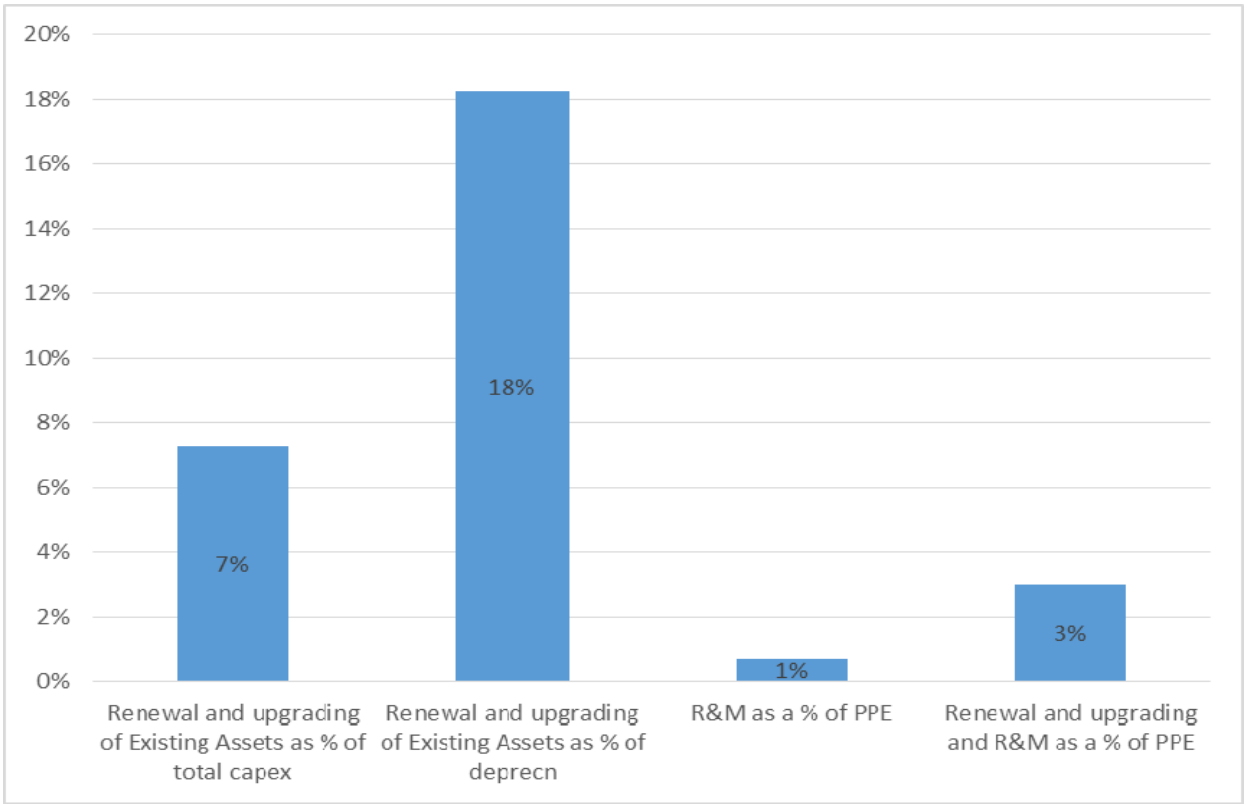
Explanatory notes to Table A9 - Asset Management

1. Table A9 provides an overview of municipal capital allocations to building new assets and the renewal of existing assets, as well as spending on repairs and maintenance by asset class classification. The municipality has total assets of R346,9 million and repairs and maintenance of R2.4 million for 2017/18 financial period.

2. National Treasury has recommended that municipalities should allocate at least 40 per cent of their capital budget to the renewal of existing assets, and allocations to repairs and maintenance should be 8 per cent of PPE. Repairs and maintenance for Maruleng Municipality is mostly done using internal capacity.

3. Pending the development of the capital assets maintenance plan, the municipality is mainly focusing on routine and incident-triggered maintenance. The allocation for the 2017/18 financial year is R2, 4 million, which still falls below the national norm of 8 percent, the norm for repairs and maintenance for 2017/18 financial period is 0,7 percent. The allocation will be increased by a total of R6, 1 million over the next two financial years. The finalization of the infrastructure maintenance plan will usher in programmatic, renewal and preventative maintenance to address the deteriorating state of service infrastructure within the municipal boundaries

4. The following graph provides an analysis between depreciation and operational repairs and maintenance over the MTREF. It highlights the municipality's strategy to address the maintenance backlog.



- **Table 19 - Basic Service Delivery Measurement**
 Explanatory notes to Table A10 - Basic Service Delivery Measurement

1. Table A10 provides an overview of service delivery levels, including backlogs (below minimum service level), for each of the main services.

LIM335 Maruleng - Table A10 Basic service delivery measurement

Description	Ref	2013/14	2014/15	2015/16	Current Year 2016/17			2017/18 Medium Term Revenue & Expenditure Framework		
		Outcome	Outcome	Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
Household service targets	1									
Water:										
Piped water inside dwelling		2 669	2 669	2 669	2 669	2 669	2 669	2 669	2 669	2 669
Piped water inside yard (but not in dwelling)		9 006	9 006	9 006	9 006	9 006	9 006	9 006	9 006	9 006
Using public tap (at least min.service level)	2	5 987	5 987	5 987	5 987	5 987	5 987	5 987	5 987	5 987
Other water supply (at least min.service level)	4	–	–	–	–	–	–	–	–	–
Minimum Service Level and Above sub-total		17 662	17 662	17 662	17 662	17 662	17 662	17 662	17 662	17 662
Using public tap (< min.service level)	3	285	285	285	285	285	285	285	285	285
Other water supply (< min.service level)	4	3 155	3 155	3 155	3 155	3 155	3 155	3 155	3 155	3 155
No water supply		4 365	4 365	4 365	4 365	4 365	4 365	4 365	4 365	4 365
Below Minimum Service Level sub-total		7 805	7 805	7 805	7 805	7 805	7 805	7 805	7 805	7 805
Total number of households	5	25 467	25 467	25 467	25 467	25 467	25 467	25 467	25 467	25 467
Sanitation/sewerage:										
Flush toilet (connected to sewerage)		2 100	2 100	2 100	2 100	2 100	2 100	2 100	2 100	2 100
Flush toilet (with septic tank)		1 086	1 086	1 086	1 086	1 086	1 086	1 086	1 086	1 086
Chemical toilet		102	102	102	102	102	102	102	102	102
Pit toilet (ventilated)		7 335	7 335	7 335	7 335	7 335	7 335	7 335	7 335	7 335
Other toilet provisions (> min.service level)		12 240	12 240	12 240	12 240	12 240	12 240	12 240	12 240	12 240
Minimum Service Level and Above sub-total		22 863	22 863	22 863	22 863	22 863	22 863	22 863	22 863	22 863
Bucket toilet		–	–	–	–	–	–	–	–	–
Other toilet provisions (< min.service level)		–	–	–	–	–	–	–	–	–
No toilet provisions		1 487	1 487	1 487	1 487	1 487	1 487	1 487	1 487	1 487
Below Minimum Service Level sub-total		1 487	1 487	1 487	1 487	1 487	1 487	1 487	1 487	1 487
Total number of households	5	24 350	24 350	24 350	24 350	24 350	24 350	24 350	24 350	24 350
Energy:										
Electricity (at least min.service level)		–	–	–	–	–	–	–	–	–
Electricity - prepaid (min.service level)		35 896	35 896	35 896	35 896	35 896	35 896	35 896	35 896	35 896
Minimum Service Level and Above sub-total		35 896	35 896	35 896	35 896	35 896	35 896	35 896	35 896	35 896
Electricity (< min.service level)		–	–	–	–	–	–	–	–	–
Electricity - prepaid (< min. service level)		–	–	–	–	–	–	–	–	–
Other energy sources		–	–	–	–	–	–	–	–	–
Below Minimum Service Level sub-total		–	–	–	–	–	–	–	–	–
Total number of households	5	35 896	35 896	35 896	35 896	35 896	35 896	35 896	35 896	35 896
Refuse:										
Removed at least once a week		1 434	1 434	1 434	1 434	1 434	1 434	1 434	1 434	1 434
Minimum Service Level and Above sub-total		1 434	1 434	1 434	1 434	1 434	1 434	1 434	1 434	1 434
Removed less frequently than once a week		232	232	232	232	232	232	232	232	232
Using communal refuse dump		250	250	250	250	250	250	250	250	250
Using own refuse dump		19 410	19 410	19 410	19 410	19 410	19 410	19 410	19 410	19 410
Other rubbish disposal		315	315	315	315	315	315	315	315	315
No rubbish disposal		2 828	2 828	2 828	2 828	2 828	2 828	2 828	2 828	2 828
Below Minimum Service Level sub-total		23 035	23 035	23 035	23 035	23 035	23 035	23 035	23 035	23 035
Total number of households	5	24 469	24 469	24 469	24 469	24 469	24 469	24 469	24 469	24 469
Households receiving Free Basic Service	7									
Water (6 kilolitres per household per month)		–	–	–	–	–	–	–	–	–
Sanitation (free minimum level service)		–	–	–	–	–	–	–	–	–
Electricity/other energy (50kwh per household per month)		–	6 002	6 002	6 002	6 002	6 002	6 002	6 002	6 002
Refuse (removed at least once a week)		–	–	–	–	–	–	–	–	–
Cost of Free Basic Services provided - Formal Settlements (R'000)	8									
Water (6 kilolitres per indigent household per month)		–	–	–	–	–	–	–	–	–
Sanitation (free sanitation service to indigent households)		–	–	–	–	–	–	–	–	–
Electricity/other energy (50kwh per indigent household per month)		–	–	–	–	–	–	–	–	–
Refuse (removed once a week for indigent households)		–	–	–	–	–	–	–	–	–
Cost of Free Basic Services provided - Informal Formal Settlements (R'000)		–	–	7	7	7	7	7	7	7
Total cost of FBS provided		–	–	7	7	7	7	7	7	7
Highest level of free service provided per household										
Property rates (R value threshold)										
Water (kilolitres per household per month)										
Sanitation (kilolitres per household per month)										
Sanitation (Rand per household per month)										
Electricity (kwh per household per month)										
Refuse (average litres per week)										
Revenue cost of subsidised services provided (R'000)	9									
Property rates (tariff adjustment) (impermissable values per section 17 of MPRA)										
Property rates exemptions, reductions and rebates and impermissable values in excess of section 17 of MPRA)		–	–	–	4 178	2 969	2 969	2 970	3 139	3 315
Water (in excess of 6 kilolitres per indigent household per month)		–	–	–	–	–	–	–	–	–
Sanitation (in excess of free sanitation service to indigent households)		–	–	–	–	–	–	–	–	–
Electricity/other energy (in excess of 50 kwh per indigent household per month)		–	–	–	–	–	–	–	–	–
Refuse (in excess of one removal a week for indigent households)		–	–	–	–	–	–	–	–	–
Municipal Housing - rental rebates										
Housing - top structure subsidies	6									
Other										
Total revenue cost of subsidised services provided		–	–	–	4 178	2 969	2 969	2 970	3 139	3 315

Background

BASIC SERVICES DELIVERY (INFRASTRUCTURE ANALYSIS) Background

The Constitution of the Republic of South Africa in Section 152 (c) indicates that municipalities must "ensure the provision of services to communities in a sustainable manner". The success of local economic development is tied to the provision of basic and other types of infrastructure to the people. All services under analysis in this section are located in a specific locality (as per SDF) and have potential to boast socioeconomic development. Infrastructure analysis focuses on the status quo regarding water supply, sanitation facilities, energy and housing provision, roads and public transport, waste management and telecommunications – all of which underpins socio-economic development and determines people's quality of life. The provision of adequate municipal infrastructure remains a challenge throughout the municipality.

Water and Sanitation Provision

Mopani District Municipality is the Water Service Authority (WSA) and the municipality is the Water Service Provider (WSA). Mopani district municipality is responsible for bulk water supply and sanitation infrastructure. The municipality is responsible for water reticulation. The municipality provides these services in terms of the service level agreement it has with the district municipality.

Water analysis

The Maruleng municipality is characterized by low rainfall. This results in limited water resources culminating in severe water shortages and drought condition. There is stiff competition amongst different water users. Water for domestic purpose becomes crucial.

However, great strides have been made in providing water in the municipality. About 16 662 households which amount to 68% of the population have access to water in terms of RDP standard. However, it must be noted that only 6.8% of the population have access to portable water.

Access of water in terms of distance

TYPE NUMBER OF HOUSEHOLDS Piped (tap) water inside dwelling 2 669 Piped (tap) water inside yard 9006 Piped (tap) water on communal stand: distance less than 200m from dwelling 4 987 Piped (tap) water on communal stand: distance between 200m and 500m from dwelling 2 088 Piped (tap) water on communal stand :between 500m and 1000m (1km) from dwelling 1 067 Piped (tap) water on communal stand: distance greater than 1km from dwelling 285 No access to piped (tap) water 4368

Water and Sanitation Provision

Mopani District Municipality is the Water Service Authority (WSA) and the municipality is the Water Service Provider (WSA). Mopani district municipality is responsible for bulk water supply and sanitation infrastructure. The municipality provides these services in terms of the service level agreement it has with the district municipality.

Table 10: depicts access of water in terms of distance

TYPE	NUMBER OF HOUSEHOLDS
Piped (tap) water inside dwelling	2 669
Piped (tap) water inside yard	9006
Piped (tap) water on communal stand: distance less than 200m from dwelling	4 987
Piped (tap) water on communal stand: distance between 200m and 500m from dwelling	2 088
Piped (tap) water on communal stand :between 500m and 1000m (1km) from dwelling	1 067
Piped (tap) water on communal stand: distance greater than 1km from dwelling	285
No access to piped (tap) water	4368

(Source: census 2011)

Water Sources

The Mametja-Sekororo Regional Water Scheme that will supply the entire municipality will rely on the Blyde River which as enough water as water source. Most of our villages rely on poorly surveyed ground water. Most of the boreholes are often not well maintained. Villages that are under the mountains rely on water from the mountains. Other villages rely on the water supply by the municipality through water tankers.

SOURCE	NUMBER OF HOUSEHOLDS
Regional/local water scheme (operated by the municipality or other water service provider)	8209
Borehole	4 427
Spring	223
Rain water tank	211
Dam/pool/stagnant water	2 777
River/stream	6 924
Water vendor	881

(Source: census 2011)

Sanitation

The municipality through Mopani District Municipality has made a major stride regarding provision of sanitation. About 22 983 households which account to 93.9 of the population have access to basic sanitation..

Table 11: depicts percentage distribution of households by type of toilet facility as of 2011.

Type of toilet facility	Census 2001	Census 2011
Flush toilet(sewerage system)	8.8	2001
Flush toilet (septic tank)	2.9	1088
Chemical toilet	1.1	102
Pit latrine with ventilation	8.3	7 335
Pit latrine without ventilation	40.8	12 240
None	38,2	1 487
Total	100	100

Census 2011

Water and sanitation backlog

Water backlog in terms the RDP standard is at 7 808 households (32%) while sanitation is about 1 487 (6.1%) households

1.4.1. Water and sanitation challenges

- The main challenge is bulk water supply but Mopani District Municipality which is the WSA is currently constructing water purification plant in The Oaks which will carter almost all villages and major developments
- Ageing water and sanitation infrastructure (Hoedspruit and Kampersus)
- Over-reliance on boreholes
- Illegal connections, theft and vandalism
- Inadequate funding
- Water rights and allocation
- Quality of drinking water

Free Basic Water and Free Basic Sanitation

The municipality gives 6KL of free basic water to all household with piped water.

Free Basic Services

SERVICE	NO. INDIGENT HOUSEHOLDS	ACCESS	BACKLOG
Water	3700	2 405	1 295
Sanitation	3700	3 213	1 487
Electricity	3700	1 739	1 961
Refuse Removal	3700	0	3 700

Energy and Electricity.

Energy distribution has important economic developmental implications with a potential to make considerable impact. This impact relates to improved living conditions, increased productivity and greater sustainability of the environment. In the municipality electricity is largely generated by Eskom. The provision of electricity to house has been achieved to the larger extent. About 22 167 households have access to electricity which amount to 90.5% of the population. All villages are electrified except post connections and new extensions. The backlog is about 2 303 (9.5%) Households. However, ESKOM is currently completing 511 units and the municipality is electrifying 400 units through INEP grant.

Electricity Usage

Usage	No. Households
Cooking	7 299
Heating	6 431
Lighting	22 166

(Census 2011)

In the mean electricity is used for lighting. About 16 575 (67.7%) households use wood for cooking. The usage of wood as a source of energy is a worrying factor as it is harmful to the environment. The Municipality and the Department of Environmental Affairs need to conduct educational awareness campaigns against this practice.

Free Basic Electricity

The municipality has budget R 1.4 million for the provision of FBE to its 3700 indigent households. Only 1739 indigent households have access to free basic electricity due to the snail-pace of ESKOM in configuration of the register. However, the municipality is currently the indigent register

The municipality has an adopted indigent policy and register. This register facilitates the provision of free basic services. The municipality has budgeted R1, 4 million for free basic services for the year 2017/18. The updated indigent register has about 3700 households as beneficiaries.

Waste Management

The municipality provides waste collection services in three urbanized areas: Hoedspruit, Kampersrus for a total of 1666 households and it accounts to about 6.8% of households. In both commercial and residential areas collection takes place once a week. No refuse removal is provided to the 33 villages. These households rely mostly on backyard dumping and burning. Maruleng has outsourced collection and transportation. The municipality is planning to roll-out waste collections to all villages.

The municipality has one licensed landfill site in Worcester area.

Percentage distribution of households by type of refuse disposal

Type of refuse removal	Census 2001	Census 2011
Removed by local municipality/private company at least once a week	-	1 434
Removed by local municipality/private company less often	-	232
Communal refuse dump	275	250
Own refuse dump	14 692	19 410
No rubbish disposal	3 678	2 828
Other	-	315
Total	19 668	24 470

PART 2 – SUPPORTING DOCUMENTATION

2.1 OVERVIEW OF THE ANNUAL BUDGET PROCESS

Section 53 of the MFMA requires the Mayor of the municipality to provide general political guidance in the budget process and the setting of priorities that must guide the preparation of the budget. In addition Chapter 2 of the Municipal Budget and Reporting Regulations states that the Mayor of the municipality must establish a Budget Steering Committee to provide technical assistance to the Mayor in discharging the responsibilities set out in section 53 of the Act.

The staff that are responsible for preparation of the budget are the Municipal manager as chairperson, all directors and senior officials of the municipality. After the budget have been compiled by the person responsible for budget, with inputs from different sections, the accounting officer who is the chairperson of the committee organized the meeting to finalize the budget.

The primary aims of the Budget Steering Committee are to ensure:

- that the process followed to compile the budget complies with legislation and good budget practices;
- that there is proper alignment between the policy and service delivery priorities set out in the Municipality's IDP and the budget, taking into account the need to protect the financial sustainability of municipality;
- that the municipality's revenue and tariff setting strategies ensure that the cash resources needed to deliver services are available; and
- That the various spending priorities of the different municipal departments are properly evaluated and prioritized in the allocation of resources.

2.1.1 BUDGET PROCESS OVERVIEW

1. INTRODUCTION

Section 28 of the Municipal Systems Act 32/2000, provides that each municipal Council should adopt a process that would guide the planning, drafting, adoption and review of the integrated development planning (IDP). Clear and established mechanisms, procedures and processes for consulting with communities are imperative and should have been followed before such a plan is adopted by Council.

2. CONTENT OF THE MUNICIPALITY IDP PROCESS PLAN

This plan outlines the following:

- Phases and activities of the IDP process
- Structures that will manage the planning process and their respective roles
- Public/community participation or involvement
- Time schedule for the planning process
- Roles and responsibilities for participants
- Monitoring of the process

3. PHASES/STAGES OF THE IDP PROCESS

The table below shows the phases/stages of the IDP process and activities entailed for the Review of 2016/17 IDP.

TABLE 1: PHASES OF THE IDP PROCESS	
IDP PHASES	**ACTIVITIES**
PREPARATORY **July 2016**	▪ Identification and establishment of stakeholders and or structures and sources of information ▪ Development of the IDP Process Plan
ANALYSIS PHASE **August- September 2016**	▪ Compilation of levels of development and backlogs that suggest areas of interventions
STRATEGIES PHASE **September-October 2016**	▪ Reviewing the Vision, Mission, Strategies and objectives
PROJECT PHASE **October 2015-January 2017**	▪ Identification of possible projects and their funding sources
INTEGRATION PHASE **January – February 2017**	▪ Sector Plans summary inclusion and programmes of action
APPROVAL PHASE **March-May 2017**	▪ Submission of Draft IDP to Council ▪ Road-show on Public Participation and publication ▪ Amendments of draft IDP/Budget according to comments/inputs received ▪ Submission to Council for Final ▪ Approval and adoption by Council

4. **STRUCTURES THAT MANAGE/ DRIVE THE IDP**

The following structures will be responsible to develop, implement and monitor the IDP/Budget of MLM. Municipal Manager with the assistance of the IDP Manager shall facilitate all IDP activities.

TABLE 2: STRUCTURES THAT MANAGE/DRIVE THE IDP PROCESS		
STRUCTURE	**COMPOSITION**	**ROLE**
Council	Members of Council **(chair: Speaker)**	Approve/adopt IDP and Budget
Executive Committee	Mayor, Portfolio Heads and members of the Management Committee **(chair: Mayor**)	▪ Political oversight ▪ Assign responsibilities to Municipal Manager ▪ Submit draft IDP to Council
IDP Representative Forum	Government Departments, Ward Committee Members, CDWS, Traditional Leaders, CBOs, SOEs, Associations, Interest groups, Resource persons and Members of Council **(chair: Mayor)**	▪ Represent interests of their constituencies ▪ Debate and confirm priorities of the municipality ▪ Monitor the performance of the planning and implementation processes
IDP Steering Committee	**IDP Steering Committee** -MM, Directors and Sectional Heads **(chair: Municipal Manager**) **Sector Departments** **Budget Committee** CFO, Directors, MM ,Internal Auditor, IDP Manager & Portfolio Head of Budget, Treasury, Corporate Services & Administration (**chair: Portfolio Head of Budget, Treasury, Corporate Services & Administration)**	▪ Compilation and implementation of the IDP ▪ Provide technical expertise and support ▪ Budgetary processes of the municipality

Cluster Technical Committee (Local Managers Forum)	**Consists of:** ▪ Municipal Directors ▪ Managers of local Sector Departments & SOEs ▪ IDP Manager **(chair: Municipal Manager)**	▪ Alignment, coordination and integration
Performance Audit Committee	▪ Members of the Audit Committee ▪ Internal Auditor **(chair: Chairperson of Performance Audit Committee)**	▪ IDP/Budget/Performance monitoring
Ward Committees	All Ward Committees (Chair: **Ward Councilors**)	▪ Link the planning process to their wards ▪ Assist in public consultation and participation
MPAC	All MPAC Members	▪ Oversight role on behalf of Council
COGHSTA	MEC for COGHSTA	▪ Assess/Evaluate the IDP, comment and monitor its implementation

5. PUBLIC PARTICIPATION

One of the main features about the integrated development planning process is the involvement of community and stakeholder organizations in the process. Participation of the affected and interested parties ensures that the IDP addresses the real issues that are experienced by the citizens of the municipality. The municipality will therefore:

- ❖ Conduct stakeholder identification exercise
- ❖ Ensure that the IDP representative Forum is the core structure that will provide direct representation of stakeholders in driving the IDP process
- ❖ Ensure that every phase of the planning process should allow public debates, recommendations and/or decisions that will guide the Council in its independent decision-making platform
- ❖ Arrange IDP meetings at a convenient venue and time
- ❖ Ensure participation of marginalized groupings

Areas of focus are in the identification of strategic development priorities as well as prioritizing resource allocation to programmes and projects.

6. IDP ACTIVITY FLOW

- ✓ The office of the Municipal Manager shall provide both facilitation and secretariat of the IDP Steering Committee and Representative Forum
- ✓ The IDP Steering Committee shall be involved in the drafting of the IDP Process plan
- ✓ The Municipal Manager on behalf of the Steering Committee shall submit the Process plan to the Mayor
- ✓ The Mayor shall submit the Process to the Executive Committee
- ✓ Executive Committee shall submit the Process plan to the Council
- ✓ The Office of the Municipal Manager shall facilitate the Steering Committee in drafting the IDP in all phases
- ✓ The Office of the Municipal Manager shall monitor planning processes in all phases
- ✓ The draft IDP shall be submitted to the Mayor for his oversight
- ✓ The Mayor shall submit the draft IDP to the Rep. forum and Executive Committee
- ✓ The Mayor shall submit the draft IDP/Budget to the Council
- ✓ The Council shall approve both the process plan and the IDP/Budget

7. ACTIVITY PROGRAMME

The activity plan shall take into account the District planning processes as well as the Provincial planning cycle for support by Sector Departments.

TABLE 3: ACTIVITY PROGRAMME	
30 September 2016	Status Quo Analysis Phase
30 October 2016	Strategy Phase
31 December 2016	Project Phase
31 January 2017	Integration Phase
28 February 2017	Draft IDP/Budget compiled
31 March 2017	Approval of Draft IDP/Budget
1 April- 30April 2017	Public comments on Draft IDP/Budget

1 May-20 May 2017	Public participation meetings
30 May 2017	Adoption of the final IDP/Budget
31 May- 14 June 2017	Compilation of Draft SDBIP and summary of IDP
20 June 2017	Public notice on the adoption of the IDP/Budget
27 June 2017	Mayor signs the SDBIP
30 June 2017	Senior Managers sign Performance Agreements

8. TABLE 20: IDP/BUDGET ACTIVITY SCHEDULE (JULY 2016-JUNE 2017)

TABLE 4: IDP/BUDGET ACTIVITY SCHEDULE			
DATE	IDP	BUDGET	RESPONSIBILITY
12 May 2016	IDP Steering Committee: Process Plan	Commencement of budget related processes	MM, IDP Manager and CFO
16 May 2016	IDP Representative Forum: Process plan		MM, IDP Manager
30 June 2016	Council Sitting: Adopts process plan		Mayor, MM
26 July 2016	IDP Steering Committee: IDP performance evaluation of 2015/16		
30 August 2016	IDP Steering Committee: Analysis phase		MM
30 August 2016		Submit Financial statements and Annual Report to Provincial & National Treasury, the Auditor General and COGHSTA	MM, CFO
06 September 2016	IDP Representative Forum: Analysis Phase		MM,IDP Manager
04 October 2016	IDP Steering Committee Strategies phase		MM
26-28 October 2016	Municipal Strategic Planning Session		MM, IDP Manager
28 November 2016		Budget Committee : commence preparation of departmental operational plans & SDBIP aligned to the strategic priorities and inputs from stakeholders	MM, CFO
17 January 2017	IDP Steering Committee: Project & Integration Phases		MM,IDP Manager
19 January 2017		Budget Committee:	MM, CFO

		First draft budget	
20 January 2017	EXCO: Noting of 2016/17 Mid-year report and Annual Report for 2015/16	EXCO: Noting Mid-year report and budget adjustment performance report	MM
24 January 2017	Council- Mid-year report and Annual Report of 2015/16	-Tabling of the Adjustment Budget	Mayor, MM, CFO
03 February 2017	Publication of the Annual Report for public input	Budget Committee: Considers departmental budget proposals	CFO MM
15- 28 February 2017	Oversight report (preparation, public participation etc.)		MPAC
28 February 2017		Budget Committee: Draft Budget finalized	CFO
09 March 2017	IDP Steering Committee: Draft IDP/Budget		MM,IDP Manager
16 March 2017	IDP Representative Forum: Draft IDP/Budget		MM,IDP Manager
23 March 2017	EXCO: Draft IDP/Budget		MM
30 March 2017	Council Sitting: - Adoption of Draft IDP/Budget - Adoption of the Annual Report for 2015/16 and Oversight Committee Report		Mayor, MM
3 April 2017	Submission of Draft IDP to DLGH for Analysis	Confirm Provincial and National allocation	MM, CFO,IDP Manager
1-30 April 2017	Publication of the draft IDP/Budget documents for public comments/ inputs	Publication of the draft MTEF Budget for 2016/17,2017/18 & 2018/19 financial years	MM, CFO,IDP Manager, Communication Officer
1-15 May 2017	Public Participation on Draft IDP/Budget		MM, Office of the Speaker
18 May 2017	IDP Steering Committee: Effect changes to Draft IDP/Budget as per public comments. Develop IDP process plan for 2017/18	Amendment of the Draft Budget as per public participation process	MM, CFO, IDP Manager
25 May 2017	IDP Representative Forum: Consider final Draft IDP/Budget, Draft IDP process plan for 2017/18		MM, IDP Manager
26 May 2017	EXCO: Final Draft		MM

	IDP/Budget, Process Plan		
29 May 2017	Council sitting: Adoption IDP/Budget for 2017-2018, adopt IDP process plan for 2017 /18	Adoption of the Budget for 2017-18	Mayor, MM
09 June 2017	Submission of IDP to the MEC for Local Government and Housing	Submission of the Approved IDP & Budget to Provincial and National Treasury	MM,CFO
16June 2017	IDP Summary & Notice for approved IDP/Budget		MM,CFO
23 June 2017	Adoption of the SDBIP	Adoption of the SDBIP	Mayor
30 June 2017	Signing of Performance Contracts by Senior Managers		Mayor, MM

9. MONITORING AND EVALUATION OF THE PROCESS PLAN

Maruleng Local Municipality will be responsible for monitoring its own IDP/Budget Process Plan and ensure that is being followed as approved. The municipal IDP office must check and report compliance to intergovernmental structures and the District municipality for support interventions. This process will also be linked to the SDBIP reporting cycle as adopted by the Mayor.

10. CONCLUSION

The Process Plan adopted by Council shall be binding to all in the municipality and shall further provide transparency and accountability to the communities of Maruleng Local Municipality**.**

2.2 OVERVIEW OF THE ALIGNMENT OF ANNUAL BUDGET WITH IDP

2.2.1 PUBLIC PARTICIPATION

One of the main features about the integrated development planning process is the involvement of community and stakeholder organizations in the process. Participation of the affected and interested parties ensures that the IDP addresses the real issues that are experienced by the citizens of the municipality. The municipality will therefore:

- Conduct stakeholder identification exercise
- Ensure that the IDP representative Forum is the core structure that will provide direct representation of stakeholders in driving the IDP process
- Ensure that every phase of the planning process should allow public debates, recommendations and/or decisions that will guide the Council in its independent decision-making platform
- Arrange IDP meetings at a convenient venue and time
- Ensure participation of marginalized groupings

The public participation was held from various wards. The community raised the below issues.

wards	Project description
Ward 05	✓ Graveyard ✓ Road access ✓ Pipeline ✓ Water supply ✓ No projects in IDP ✓ Community hall(santeng and molalane) ✓ Low level bridge ✓ Library ✓ No danger plate on side of the road ✓ Standby ambulance at clinic ✓ Current allocation by Eskom not enough to cover all the household that need electricity
Ward 06	✓ Waste collection at Worcester(landfillsite)
Ward 02	✓ Road signage ✓ Sewer connection

Ward 03	✓ Low level bridge ✓ Electrification(meter box not working) ✓ Streets lights ✓ Apololight ✓ Oaks internal street ✓ Library ✓ Sports field ✓ Public toilets ✓ Sepeke cultural village ✓ Overhead pedestrian bridge at the oaks ✓ Finala access road ✓ Finala clinic ✓ Finala graveyard ✓ Finala low level bridge ✓ Leoma secondary school upgrading ✓ Finala electricity ✓ Primary school ✓ FET College(all wards) ✓ Road from oaks to finala(unfinished projects)
Ward 01	✓ Housing (RDP) ✓ public toilets ✓ Road signage ✓ Sewer plant ✓ Waste collection ✓ Intrastucture ✓
Ward 07	✓ Low level bridge ✓ Electrification(meter box not working) ✓ Streets lights ✓ Apololight ✓ Speed humbs ✓ Library ✓ Sports field ✓ access road ✓ clinic ✓ Fencing graveyard ✓ low level bridge ✓ Electricity ✓ Water shortage ✓ Bursary budget need to be adjusted
Ward 08	✓ Apolo lights ✓ Speed humps ✓
Ward 04	✓ Water crisis
Ward 11	✓ Housing (RDP) ✓ Electricity ✓ Ring road

	✓ Low level bridge ✓ Street lights ✓ Speed humbs ✓ Waste collection ✓ Intrastucture ✓ Fencing of graveyard ✓ Skills development ✓ Sport court ✓ Job cration ✓ clinic

2.2.2 MONITORING AND EVALUATION OF THE PROCESS PLAN

Maruleng Local Municipality will be responsible for monitoring its own IDP/Budget Process Plan and ensure that is being followed as approved. The municipal IDP office must check and report compliance to intergovernmental structures and the District municipality for support interventions. This process will also be linked to the SDBIP reporting cycle as adopted by the Mayor.

Table 21 Reconciliation of IDP strategic objectives and budget (revenue)

LIM335 Maruleng - Supporting Table SA4 Reconciliation of IDP strategic objectives and budget (revenue)

Strategic Objective	Goal	Goal Code	Ref	2013/14	2014/15	2015/16	Current Year 2016/17			2017/18 Medium Term Revenue & Expenditure Framework		
R thousand				Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
Municipal Transformation and organisational development	Create,inform community and Develop retain skilled capacitated workforce			15 672	20 605	69	53	53	53	56	60	63
Basic Service delivery	Improve community wellbeing and resource manage infrastructure and service for access and mobility			43 580	37 202	32 655	47 918	52 681	52 681	30 437	31 998	33 642
LED	Grow the economy and halve unemployment and develop partnership			1 158	1 959	1 895	1 000	1 917	1 917	2 205	1 143	1 207
Municipal Financial Vialibility and Management	Become financially viable			49 191	95 994	141 769	142 630	165 355	165 355	170 478	177 808	176 527
Good Governance and Public Participation	Effective and efficient organisation			9 709	934	982	635	316	316	336	355	375
Allocations to other priorities			2									
Total Revenue (excluding capital transfers and contributions)			1	119 308	156 694	177 370	192 236	220 323	220 323	203 513	211 364	211 814

Table 22: Reconciliation between the IDP strategic objectives and budgeted operating expenditure

LIM335 Maruleng - Supporting Table SA5 Reconciliation of IDP strategic objectives and budget (operating expenditure)

Strategic Objective	Goal	Goal Code	Ref	2013/14	2014/15	2015/16	Current Year 2016/17			2017/18 Medium Term Revenue & Expenditure Framework		
R thousand				Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
Municipal Transformation and organisational development	Create,inform community and Develop retain skilled capacitated workforce			53 457	1 829	2 590	7 788	1 969	1 969	2 495	2 637	2 785
Basic Service delivery	Improve community wellbeing and resource manage infrastructure and service for			17 044	13 473	5 565	10 524	8 298	8 298	7 486	8 212	8 855
LED	Grow the economy and halve unemployment and develop partnership			1 000	16 475	2 880	2 459	2 034	2 034	2 074	2 192	2 315
Municipal Financial Vialibility and Management	Become financially viable			31 057	110 585	125 005	120 306	145 191	145 191	165 790	172 836	183 558
Good Governance and Public Participation	Effective and efficient organisation			6 556	1 585	8 765	7 226	11 632	11 632	11 903	12 582	13 287
Allocations to other priorities												
Total Expenditure			1	109 114	143 947	144 806	148 303	169 125	169 125	189 748	198 460	210 800

Table 23 Reconciliation between the IDP strategic objectives and budgeted capital expenditure

LIM335 Maruleng - Supporting Table SA6 Reconciliation of IDP strategic objectives and budget (capital expenditure)

Strategic Objective	Goal	Goal Code	Ref	2013/14	2014/15	2015/16	Current Year 2016/17			2017/18 Medium Term Revenue & Expenditure Framework		
R thousand				Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
Municipal Transformation and organisational development	Create,inform community and Develop retain skilled capacitated workforce	A		6 085	2 100	200	3 000	350	350			
Basic Service delivery	Improve community wellbeing and resource manage infrastructure and service for	B		11 556	32 039	40 846	71 415	82 469	82 469	93 868	62 220	48 176
LED	Grow the economy and halve unemployment and develop partnership	C		850	400	1 000	1 000	1 000	1 000	1 124	–	–
Municipal Financial Viability and Management	Become financially viable	D		2 833	5 821	750	5 616	210	210			
Good Governance and Public Participation	Effective and efficient organisation	E		1 297	1 435	1 223	635	300	300	1 053	760	876
		F										
		G										
		H										
		I										
		J										
		K										
		L										
		M										
		N										
		O										
		P										
Allocations to other priorities			3									
Total Capital Expenditure			1	22 622	41 795	44 019	81 666	84 329	84 329	96 045	62 980	49 052

2.3 MEASURABLE PERFORMANCE OBJECTIVES AND INDICATORS

Performance Management is a system intended to manage and monitor service delivery progress against the identified strategic objectives and priorities. In accordance with legislative requirements and good business practices as informed by the National Framework for Managing Programme Performance Information, the Municipality has developed and implemented a performance management system of which system is constantly refined as the integrated planning process unfolds. The Municipality targets, monitors, assess and reviews organisational performance which in turn is directly linked to individual employee's performance.
At any given time within government, information from multiple years is being considered; plans and budgets for next year; implementation for the current year; and reporting on last year's performance. Although performance information is reported publicly during the last stage, the performance information process begins when policies are being developed, and continues through each of the planning, budgeting, implementation and reporting stages.

Reporting in the monitoring process also involves giving feedback about the progress of the project to the donors, implementers and beneficiaries of the project.

The planning, budgeting and reporting cycle can be graphically illustrated as follows:

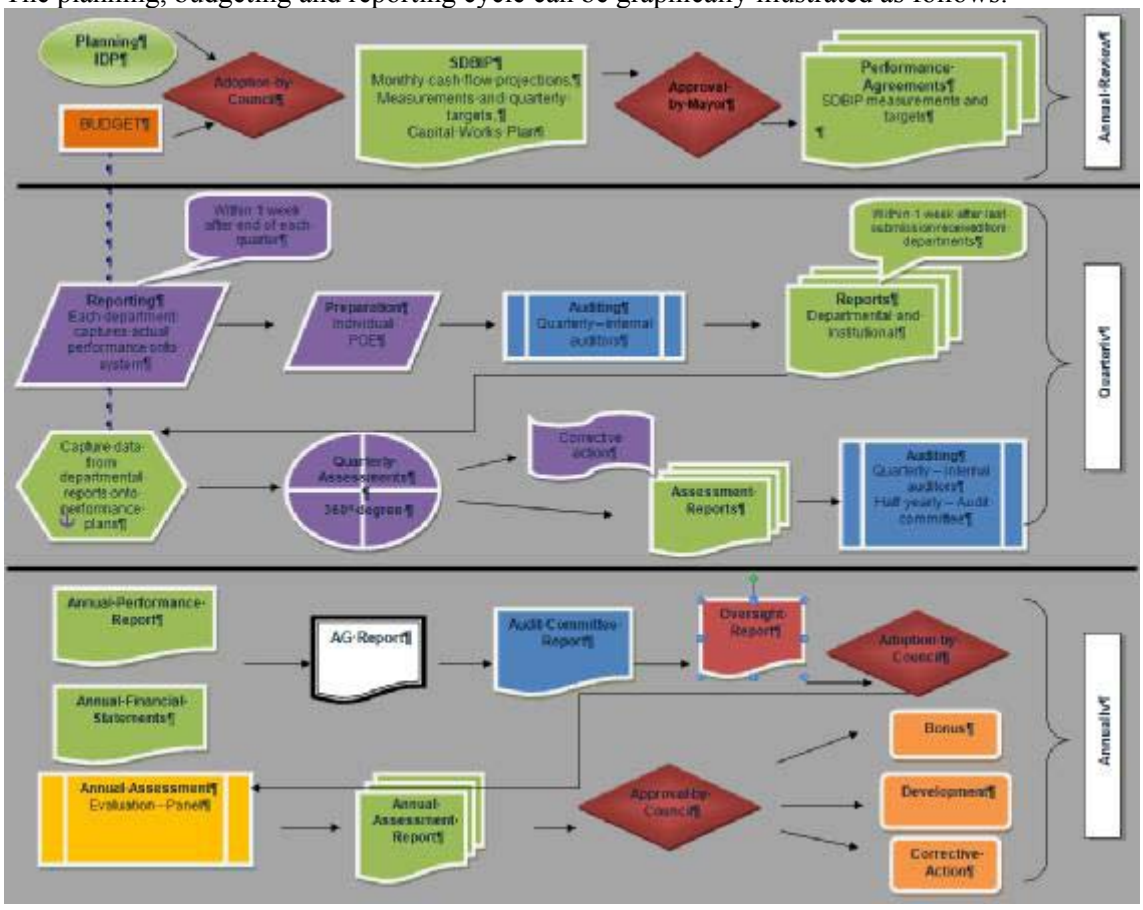


Figure 5 Planning, budgeting and reporting cycle

Monitoring is the regular observation and recording of activities taking place in a project or programme. Relevant data is gathered in an efficient and timely manner and in sufficient quantities to provide meaningful results after which it is processed to identify and categorize factors relevant to specific concerns. In monitoring, data should be analysed and the results displayed so that personnel can take appropriate actions.

Monitoring which involves a process of routinely gathering information on all aspects of the objective, programme or project has been operationalized within the Maruleng Local Municipality by making use of the SDBIP reporting to monitor quarterly progress towards targets as set out. Cascading the SDBIP further down to the departmental/sectional level will help Maruleng Local Municipality to review performance quarterly and be able to take necessary steps to improve performance where performance targets are not met.

Assessment is a process of measuring or quantifying the level of attainment or competence within a specified domain whereby scores are attached to see how well the theme, objective, programmes or projects have been achieved. On the other hand evaluation is determining of value, or the measurement of value added. The municipality needs to determine whether, or not, the programme or project adds value or is contributing to the organization's strategy.

The performance information concepts used by the Municipality in its integrated performance management system are aligned to the ***Framework of Managing Programme Performance Information*** issued by the National Treasury:

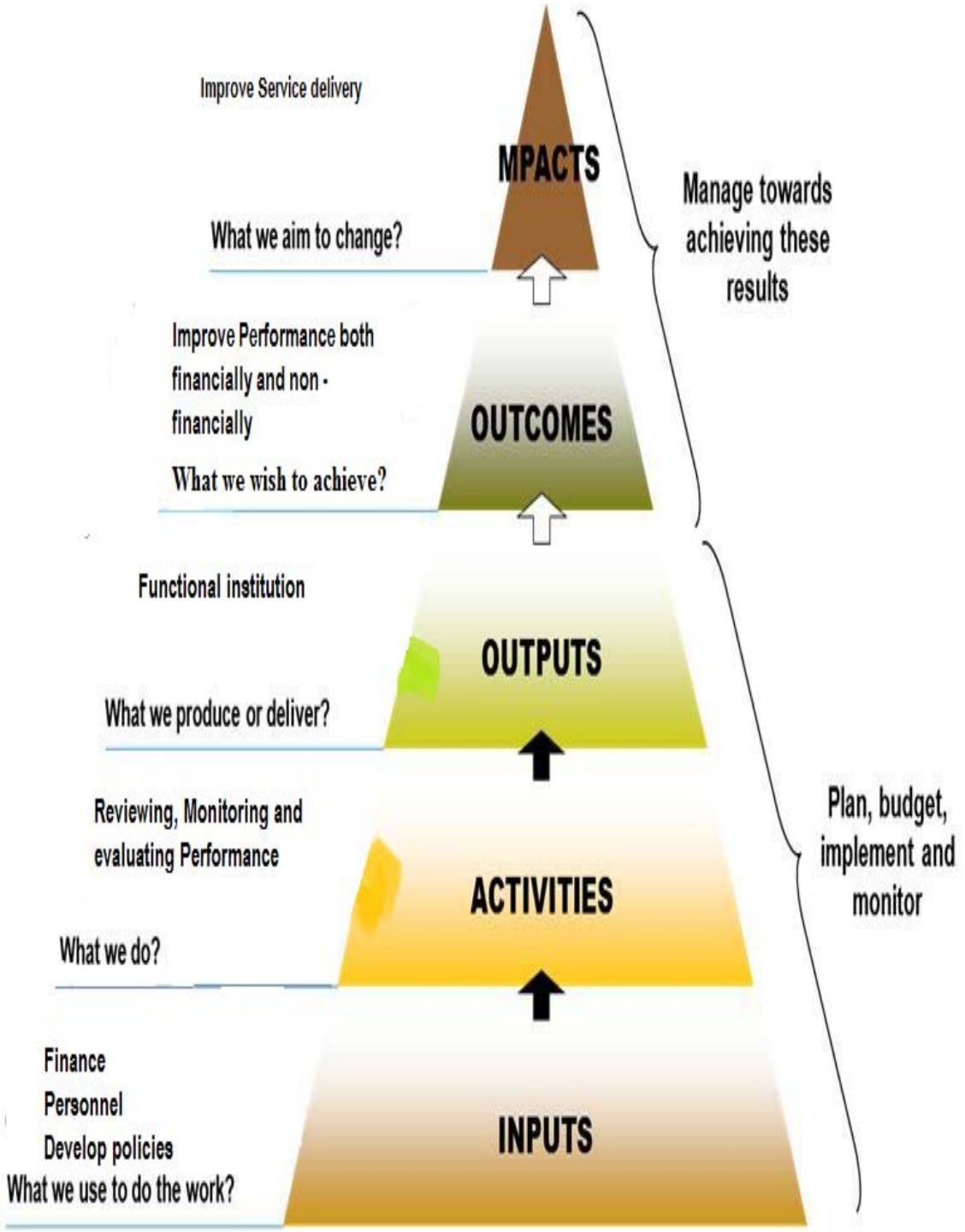


Figure 6 Definition of performance information concept

The following table provides the main measurable performance objectives the municipality undertakes to achieve this financial year.

Table 24: MBRR Table SA7 Measureable performance objectives

LIM335 Maruleng - Supporting Table SA7 Measureable performance objectives

Description	Unit of measurement	2013/14	2014/15	2015/16	Current Year 2016/17			2017/18 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
Public works: Roads and Stormwater		4,0%	6,0%	30,0%	30,0%	30,0%	30,0%	30,0%	29,8%	30,0%
Function - Roads										
Sub-function- Eradication of baglogs		0,0%	4,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%
Reduce roads backlogs	Kilometer									
Sub-function - Roads maintained		6,0%	6,0%	30,0%	30,0%	30,0%	30,0%	30,0%	32,0%	33,0%
surfaced roads resurfaced/	Kilometer									
Sub-function - Roads for growth										
New roads to be constructed	Kilometer	5,0%	1,0%	2,0%	2,0%	2,0%	2,0%	2,0%	1,8%	2,0%
Function - Stormwater										
Sub-function - Reduction of backlog		21,0%	2,0%	2,0%	2,0%	2,0%	3,0%	4,0%	3,0%	3,5%
stormwater drainage to reduce backlogs	Kilometer									
Sub-function - Stormwater for growth										
Stormwater drainage to stimulate	Kilometer									
Public Works: water and sanitation		0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%
Function - water		0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%
Sub-function - Eradication of water		0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%
Households provided with a water connection	Number									0,0%
new bulk water pipeline	Meter	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%
New Internal water pipelines	Meter									
Function - Maintance of water infrastructure										
upgrade and replace of internal water	Meter									
upgrade and replace of internal water	Number	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%
Function- Saniation										
Sub-function- Eradication of	Meter	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%
household provided with a sanitation										
New bulk sewer pipelines										

The following table sets out the municipalities main performance objectives and benchmarks for the 2017/18 MTREF.

Table 25: MBRR Table SA8 Performance indicators and benchmarks

LIM335 Maruleng - Supporting Table SA8 Performance indicators and benchmarks

Description of financial indicator	Basis of calculation	2013/14	2014/15	2015/16	Current Year 2016/17				2017/18 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
Borrowing Management											
Credit Rating											
Capital Charges to Operating Expenditure	Interest & Principal Paid /Operating Expenditure	0,1%	0,0%	0,0%	0,1%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%
Capital Charges to Own Revenue	Finance charges & Repayment of borrowing /Own Revenue	0,4%	0,0%	0,1%	0,1%	0,1%	0,1%	0,0%	0,1%	0,1%	0,1%
Borrowed funding of 'own' capital expenditure	Borrowing/Capital expenditure excl. transfers and grants and contributions	-4,1%	-3,4%	-2,1%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%
Safety of Capital											
Gearing	Long Term Borrowing/ Funds & Reserves	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%
Liquidity											
Current Ratio	Current assets/current liabilities	3,9	3,7	2,6	4,8	5,9	5,9	–	4,3	4,5	5,1
Current Ratio adjusted for aged debtors	Current assets less debtors > 90 days/current liabilities	3,9	3,7	2,6	4,8	5,9	5,9	–	4,3	4,5	5,1
Liquidity Ratio	Monetary Assets/Current Liabilities	2,5	3,1	2,1	3,8	5,1	5,1	–	3,4	3,6	4,2
Revenue Management											
Annual Debtors Collection Rate (Payment Level %)	Last 12 Mths Receipts/Last 12 Mths Billing		86,3%	69,1%	77,1%	91,1%	62,4%	62,4%	0,0%	74,9%	74,9%
Current Debtors Collection Rate (Cash receipts % of Ratepayer & Other revenue)		86,3%	69,1%	77,1%	91,1%	62,4%	62,4%	0,0%	74,9%	74,9%	74,7%
Outstanding Debtors to Revenue	Total Outstanding Debtors to Annual Revenue	26,2%	10,2%	16,2%	11,1%	7,8%	7,8%	0,0%	7,6%	7,5%	7,2%
Longstanding Debtors Recovered	Debtors > 12 Mths Recovered/Total Debtors > 12 Months Old										
Creditors Management											
Creditors System Efficiency	% of Creditors Paid Within Terms (within`MFMA' s 65(e))	98,0%	99,0%	98,0%	100,0%	100,0%	100,0%	100,0%	100,0%	100,0%	100,0%
Creditors to Cash and Investments		8,0%	17,3%	15,6%	90,9%	11,5%	11,5%	0,0%	17,3%	16,8%	13,8%
Other Indicators											
Electricity Distribution Losses (2)	Total Volume Losses (kW)	0	0	0	0	0	0	0	0	0	0
	Total Cost of Losses (Rand '000)	–	–	–	–	–	–	–	–	–	–
	% Volume (units purchased and generated less units sold)/units purchased and generated	–	–	–	–	–	–	–	–	–	–
Water Distribution Losses (2)	Total Volume Losses (kℓ)	–	–	–	–	–	–	–	–	–	–
	Total Cost of Losses (Rand '000)	0	0	0	0	0	0	0	0	0	0
	% Volume (units purchased and generated less units sold)/units purchased and generated	–	–	–	–	–	–	–	–	–	–
Employee costs	Employee costs/(Total Revenue - capital revenue)	33,6%	32,2%	30,7%	35,0%	30,3%	30,3%	0,0%	37,9%	39,1%	42,1%
Remuneration	Total remuneration/(Total Revenue - capital revenue)	42,0%	38,6%	37,2%	41,8%	35,7%	35,7%		43,6%	44,9%	48,3%
Repairs & Maintenance	R&M/(Total Revenue excluding capital revenue)	1,4%	1,4%	0,9%	1,6%	2,2%	2,2%		1,4%	1,6%	1,4%
Finance charges & Depreciation	FC&D/(Total Revenue - capital revenue)	31,0%	23,7%	20,1%	23,0%	21,2%	21,2%	0,0%	21,8%	22,2%	23,6%
IDP regulation financial viability indicators											
i. Debt coverage	(Total Operating Revenue - Operating Grants)/Debt service payments due within financial year)	8,1	10,3	10,5	9,5	9,5	9,5	–	12,6	11,7	12,3
ii.O/S Service Debtors to Revenue	Total outstanding service debtors/annual revenue received for services	155,2%	37,2%	68,1%	46,4%	21,7%	21,7%	0,0%	24,3%	23,3%	21,1%
iii. Cost coverage	(Available cash + Investments)/monthly fixed operational expenditure	9,1	7,1	12,6	1,4	9,9	9,9	–	5,0	5,0	5,4

2.3.1 Performance indicators and benchmarks

2.3.1.1 Borrowing Management

- Capital expenditure in local government can be funded by capital grants, own-source revenue and long term borrowing. The ability of a municipality to raise long term borrowing is largely dependent on its creditworthiness and financial position. Maruleng Municipality does not have long term borrowing.

2.3.1.2 Safety of Capital

- *The debt-to-equity ratio* is a financial ratio indicating the relative proportion of equity and debt used in financing the municipality's assets. The indicator is based on the total of loans, creditors and overdraft and tax provisions as a percentage of funds and reserves. The debt to equity ratio for the Municipality is 0%

2.3.1.3 Liquidity

- *Current ratio* is a measure of the current assets divided by the current liabilities and as a benchmark the Municipality has set a limit of 2, hence at no point in time should this ratio be less than 2. For the 2017/18 MTREF the current ratio is 5:8 and 5; 8 for the two outer years of the MTREF, the current assets is more that the currents liability, the municipality will be able to pay their liability.

- *The liquidity ratio* is a measure of the ability of the municipality to utilize cash and cash equivalents to extinguish or retire its current liabilities immediately. Ideally the municipality should have the equivalent cash and cash equivalents on hand to meet at least the current liabilities, which should translate into a liquidity ratio of 1. Anything below 1 indicates a shortage in cash to meet creditor obligations. For the 2017/18 financial year the ratio is 3:4 and 3:6 & 4:2 for the two outer's years. This shows that the municipality will be able to funds their projects and operating expenditure without borrowings.

2.3.1.4 Revenue Management

- As part of the financial sustainability strategy, an aggressive data cleansing and debt management strategy needs to been implemented to increase cash inflow, not only from current billings but also from debtors that are in arrears in excess of 90 days. The intention of the strategy is to streamline the revenue value chain by ensuring accurate billing, customer service, and credit control and debt collection.

2.3.1.5 Creditors Management

- The municipality has managed to ensure that creditors are settled within the legislated 30 days of invoice. While the liquidity ratio is of concern, by applying daily cash flow management the municipality has managed to ensure a 100 per cent compliance rate to this legislative obligation. This has had a favorable impact on supplier's perceptions of risk of doing business with the Municipality, which is expected to benefit the Municipality in the form of more competitive pricing of tenders, as suppliers compete for the Municipality's business.

2.3.1.6 Other Indicators

- The Municipality does not distribute electricity to the public the function is carried out by Eskom. Employee costs as a percentage of operating revenue continues to increase over the MTREF. This is primarily due to the increase in vacancy rate and budget for salary disparity.

2.3.2 Free Basic Services: basic social services package for indigent households

The social package assists residents that have difficulty paying for services and are registered as indigent households in terms of the Indigent Policy of the Municipality. With the exception of water, only registered indigents qualify for the free basic services.

For the 2017/18 financial year 2 669 registered indigents have been provided for in the budget , In terms of the Municipality's indigent policy registered households are entitled to 6kℓ fee water, 6 kℓ sanitation and as well as a discount on their property rates.

Further detail relating to the number of households receiving free basic services, the cost of free basic services, highest level of free basic services as well as the revenue cost associated with the free basic services is contained in MBRR A10 (Basic Service Delivery Measurement

Note that the number of households in informal areas that receive free services and the cost of these services (e.g. the provision of water through stand pipes, water tankers, etc) are not taken into account in the table noted above.

2.3.3 Providing clean water and managing waste water

The Municipality is not the Water Services Authority for the municipality in terms of the Water Services Act, 1997 but only acts as water services provider. Approximately 100 per cent of the Municipality's bulk water needs are provided by Department of Public Work in the form of purified water.

2.4. OVERVIEW OF BUDGET RELATED-POLICIES

The municipality's budgeting process is guided and governed by relevant legislation, frameworks, strategies and related policies.

The Municipal Budget and Reporting Regulations, Regulation 7(1), stipulates that the municipal manager must prepare, or take all reasonable steps to ensure the preparation of the budget-related policies of the municipality, or any necessary amendments to such policies, in accordance with the legislation applicable to those policies for tabling in the municipal council by the applicable deadline specified by the mayor in terms of section 2(1)b of the MFMA.

The budget for the 2017/18 MTREF period was adopted together with the following policies:

2.4.1. Credit control and debt collection procedures/policies
2.4.2 Inventory and Asset Management Policy
2.4.3 Budget Policy
2.4.4 Virement Policy
2.4.5 Supply Chain Management Policy
2.4.6 Cash Management and Investment Policy
2.4.7 Tariff Policies
2.4.8 Indigent Policy
2.4.9. Financial Delegations Framework Policy
2.4.10 Write off Policy
2.4.11 Property Rates Policy
2.4.12 Inventory Procedure Manual
2.4.13 Traveling and subsistence policy
2.4.14 Fleet Management policy
2.4.15 Banking and investment policy

2.5. OVERVIEW OF BUDGET ASSUMPTIONS

2.5.1 External factors

- Owing to the economic slowdown, financial resources are limited due to reduced payment levels by consumers. This has resulted in declining cash inflows, which has necessitated restrained expenditure to ensure that cash outflows remain within the affordability parameters of the Municipality's finances.

2.5.2 General inflation outlook and its impact on the municipal activities

There are four key factors that have been taken into consideration in the compilation of the 2017/18 MTREF:

- National Government macro-economic targets;
- The general inflationary outlook and the impact on Municipality's residents and businesses;
- The impact of municipal cost drivers;
- The wage agreement SALGBC concluded by municipal union s Municipalities must take into account the multi-year Salary and Wage Collective Agreement for the period 1 July 2015 to 30 June 2018. The agreement provides for a wage increase based on the average CPI for the period 1 July 2017 with an increase of 7 percent

2.5.3 Credit rating outlook

Table 26: Credit rating outlook

Security class	Currency	Rating	Previous Rating
Short term	Rand	Prime -1	Prime -1
Long term	Rand	Aa3	Aa3
Outlook	Rand	Negative	Negative

The rating definitions are:

- Short term : Prime – 1
- Short-Term Debt Ratings (maturities of less than one year)
- Prime-1 (highest quality)
- Long-term : Aa3
- Defined as high-grade. "Aa" rated are judged to be of high quality and are subject to very low credit risk.

2.5.4 Interest rates for borrowing and investment of funds

- The MFMA specifies that borrowing can only be utilized to fund capital or refinancing of borrowing in certain conditions. The Municipality does not have long term loans.

2.5.5 Collection rate for revenue services

- The base assumption is that tariff and rating increases will increase at a rate slightly higher that CPI over the long term. It is also assumed that current economic conditions, and relatively controlled inflationary conditions, will continue for the forecasted term.

- The rate of revenue collection is currently expressed as a percentage of annual billings. The performance of arrear collections will however only is considered a source of additional cash in-flow once the performance has been carefully monitored. The municipality is depending more on grants.

2.5.6 Growth or decline in tax base of the municipality

- Debtor's revenue is assumed to increase at a rate that is influenced by the consumer debtor's collection rate, tariff/rate pricing, real growth rate of the Municipality, household formation growth rate and the poor household change rate.

- Household formation is the key factor in measuring municipal revenue and expenditure growth, as servicing "households" is a greater municipal service factor than servicing individuals. Household formation rates are assumed to convert to household dwellings. In addition the change in the number of poor households influences the net revenue benefit derived from household formation growth, as it assumes that the same costs incurred for servicing the household exist, but that no consumer revenue is derived as the "poor household
- limits consumption to the level of free basic service

2.5.7 Salary increases

- The South African Local Government Bargaining Council recently entered into a three-year Salary and Wage Collective Agreement for the period 01 July 2015 to 30 June 2018. The agreement reached is as follows:

2015/16 Financial Year – 7 per cent

- 2016/17 Financial Year – average CPI (Feb 2015 – Jan 2016) + 1 per cent
- 2017/18 Financial Year – average CPI (Feb 2016 – Jan 2017) + 1 per cent

2.5.8 Impact of national, provincial and local policies

- Integration of service delivery between national, provincial and local government is critical to ensure focused service delivery and in this regard various measures were implemented to align IDPs, provincial and national strategies around priority spatial interventions. In this regard, the following national priorities form the basis of all integration initiatives:
 - Creating jobs;
 - Enhancing education and skill development;
 - Improving Health services;
 - Rural development and agriculture; and
 - Fighting crime and corruption.
- To achieve these priorities integration mechanisms are in place to ensure integrated planning and execution of various development programs. The focus will be to strengthen the link between policy priorities and expenditure thereby ensuring the achievement of the national, provincial and local objectives.

2.5.9 Ability of the municipality to spend and deliver on the programmes

- It is estimated that a spending rate of at least 98 per cent is achieved on operating expenditure and 100 per cent on the capital programme for the 2017/18 MTREF of which performance has been factored into the cash flow budget.

2.6 OVERVIEW OF BUDGET FUNDING

2.6.1 Medium-term outlook: operating revenue

The following table is a breakdown of the operating revenue over the medium-term:

TABLE 27- Table A4 Budgeted Financial Performance (revenue and expenditure)

LIM335 Maruleng - Table A4 Budgeted Financial Performance (revenue and expenditure)

Description			2017/18 Medium Term Revenue & Expenditure Framework					
R thousand	Adjusted Budget	%	Budget Year 2017/18	%	Budget Year +1 2018/19	%	Budget Year +2 2019/20	%
Revenue By Source								
Property rates	58 321 273	34	51 279 016	29	54 201 920	30	57 237 227	31
Service charges - refuse revenue	3 021 096	2	3 607 170	2	3 812 779	2	4 026 295	2
Rental of facilities and equipment	320 743	0	341 270	0	360 723	0	380 923	0
Interest earned - external investments	5 038 293	3	5 360 744	3	5 666 306	3	5 983 619	3
Interest earned - outstanding debtors	200 000	0	212 800	0	224 930	0	237 526	0
Fines, penalties and forfeits	315 966	0	336 187	0	355 350	0	375 250	0
Licences and permits	3 034 396	2	3 228 598	2	3 412 628	2	3 603 735	2
Agency services	2 196 574	1	2 337 155	1	2 470 373	1	2 608 713	1
Transfers and subsidies	94 154 000	55	102 322 000	58	110 393 000	60	105 337 000	58
Other revenue	1 559 964	1	1 765 002	1	1 865 607	1	1 970 081	1
Gains on disposal of PPE	2 500 000	1	5 500 000	3	-	-	-	-
Total Revenue (excluding capital transfers and contributions)	170 662 304	100	176 289 942	100	182 763 615	100	181 760 369	100

Table 28-The following graph is a breakdown of the operational revenue per main category for the 2017/18 financial year.

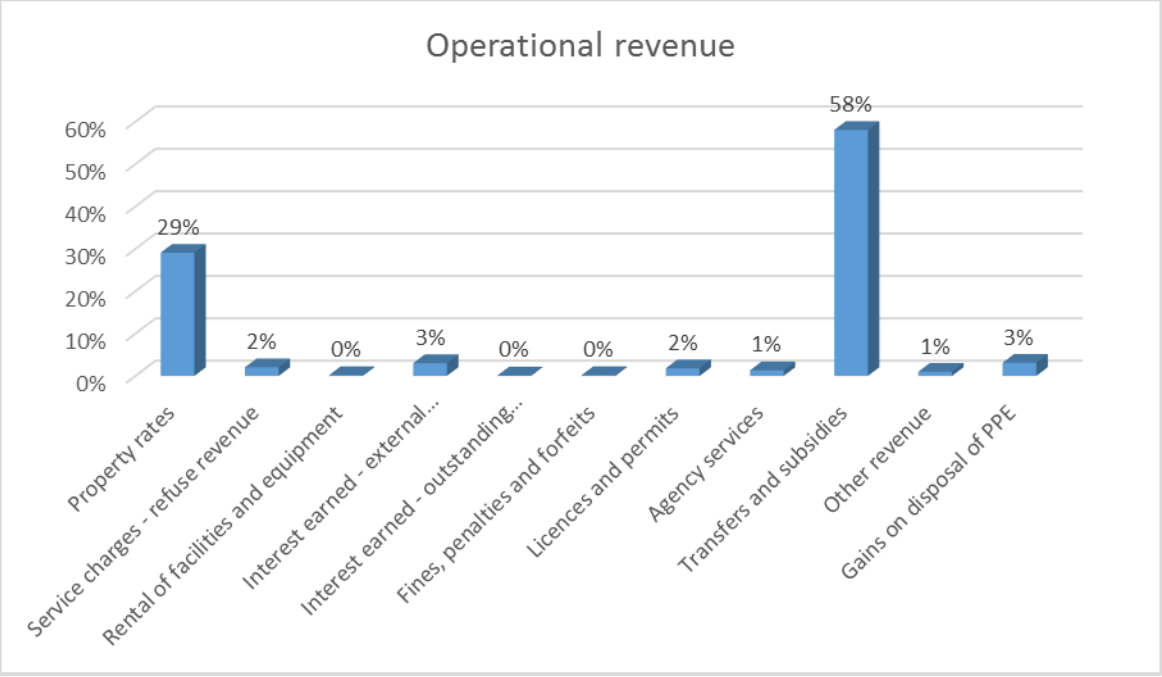


Figure 7 Breakdown of operating revenue over the 2017/18 MTREF
Tariff setting plays a major role in ensuring desired levels of revenue. Getting tariffs right assists in the compilation of a credible and funded budget. The Municipality derives most of its operational revenue from the provision of goods and services such as sanitation and solid waste removal. Property rates, operating and capital grants from organs of state and other minor charges (such as building plan fees, licenses and permits etc.).

The revenue strategy is a function of key components such as:

- Growth in the Municipality and economic development;
- Revenue management and enhancement;
- Achievement of annual collection rate for consumer revenue;
- National Treasury guidelines;
- Achievement of full cost recovery of specific user charges;
- Determining tariff escalation rate by establishing/calculating revenue requirements;
- The Property Rates Policy in terms of the Municipal Property Rates Act, 2004 (Act 6 of 2004) (MPRA),
- And the ability to extend new services and obtain cost recovery levels. The above principles guide the annual increase in the tariffs charged to the consumers and the ratepayers aligned to the economic forecasts.

The proposed tariff increases for the 2017/18

Table 29- Proposed tariff increases over the medium-term

Revenue category	2017/18 proposed tariff increase	2018/19 proposed tariff increase	2019/20 proposed tariff increase	2017/18 Total Budgeted revenue
	%	%	%	%
Property rates				51 279 016
Solid waste	6.4	5.7	5.6	3 607 170
Total				**54 886 186**

Revenue to be generated from property rates is R51.2 million in the 2017/18 financial year and increases to R57.2 million by 2019/20 which represents 34 per cent of the total operating revenue base of the Municipality. With the implementation of the Municipal Property Rates Act the basis of rating significantly changed.

As the levying of property rates is considered strategic revenue source supplementary valuation process are conducted on a monthly basis from January 2017.
Services charges relating to refuse removal constitutes the second smallest component of the revenue basket of the Municipality totaling R3.6 million for the 2017/18 financial year and increasing to R3.8 and R4 million for the two outer periods. For the 2017/18 financial year services charges amount to 2 per cent of the total revenue base and grows to R4 million over the medium-term.

Operational grants and subsidies amount to R102 million, R110 million and R105.3 million for each of the respective financial years of the MTREF, or 58 per cent of the total operating revenue based.

The tables below provide detail investment information and investment particulars by maturity.

Table 30- MBRR – Detail Investment Information

LIM335 Maruleng - Supporting Table SA15 Investment particulars by type

Investment type	Ref	2013/14	2014/15	2015/16	Current Year 2016/17			2017/18 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
Parent municipality										
Securities - National Government										
Listed Corporate Bonds										
Deposits - Bank		42 584	51 466	74 867	52 000	75 746	75 746	43 583	46 300	56 388
Deposits - Public Investment Commissioners										
Deposits - Corporation for Public Deposits										
Bankers Acceptance Certificates										
Negotiable Certificates of Deposit - Banks										
Guaranteed Endowment Policies (sinking)										
Repurchase Agreements - Banks										
Municipal Bonds										
Municipality sub-total	1	42 584	51 466	74 867	52 000	75 746	75 746	43 583	46 300	56 388
Entities										
Securities - National Government										
Listed Corporate Bonds										
Deposits - Bank										
Deposits - Public Investment Commissioners										
Deposits - Corporation for Public Deposits										
Bankers Acceptance Certificates										
Negotiable Certificates of Deposit - Banks										
Guaranteed Endowment Policies (sinking)										
Repurchase Agreements - Banks										
Entities sub-total		–	–	–	–	–	–	–	–	–
Consolidated total:		42 584	51 466	74 867	52 000	75 746	75 746	43 583	46 300	56 388

Table 31- MBRR – Investment particulars by maturity

LIM335 Maruleng - Supporting Table SA16 Investment particulars by maturity

Investments by Maturity Name of institution & investment ID	Ref 1	Period of Investment Yrs/Months	Type of Investment	Capital Guarantee (Yes/ No)	Variable or Fixed interest rate	Interest Rate ³	Commission Paid (Rands)	Commission Recipient	Expiry date of investment	Opening balance	Interest to be realised	Partial / Premature Withdrawal (4)	Investment Top Up	Closing Balance
Parent municipality														
Standard bank investment		Months	call deposit	no	variable	4,25			32 days	45 912	4 300	(37 524)		12 688
Investec investmnet		Months	call deposit	no	variable	5,4			day to day	29 834	1 061			30 895
														–
														–
														–
														–
														–
Municipality sub-total										75 746		(37 524)	–	43 583
Entities														
														–
														–
														–
														–
														–
														–
														–
Entities sub-total										–		–	–	–
TOTAL INVESTMENTS AND INTEREST	1									75 746		(37 524)	–	43 583

For the medium-term, the funding strategy has been informed directly by ensuring financial sustainability and continuity.

2.6.2 Medium-term outlook: capital revenue

The following table is a breakdown of the funding composition of the 2017/18 medium-term capital programme:

Table 32- Sources of capital revenue over the MTREF

LIM335 Maruleng - Table A5 Budgeted Capital Expenditure by vote, functional classification and funding

Vote Description	Current Year 2016/17				2017/18 Medium Term Revenue & Expenditure Framework					
	Original Budget	%	Adjusted Budget	%	Budget Year 2017/18	%	Budget Year +1 2018/19	%	Budget Year +2 2019/20	%
Funded by:										
National Government	47 918 000	59%	49 660 371	59%	27 223 000	28%	28 600 000	45%	30 054 000	61%
Internally generated funds	33 748 000	41%	34 668 535	41%	68 821 850	72%	34 380 000	55%	18 998 300	39%
Total Capital Funding	81 666 000	100%	84 328 907	100%	96 044 850	100%	62 980 000	100%	49 052 300	100%

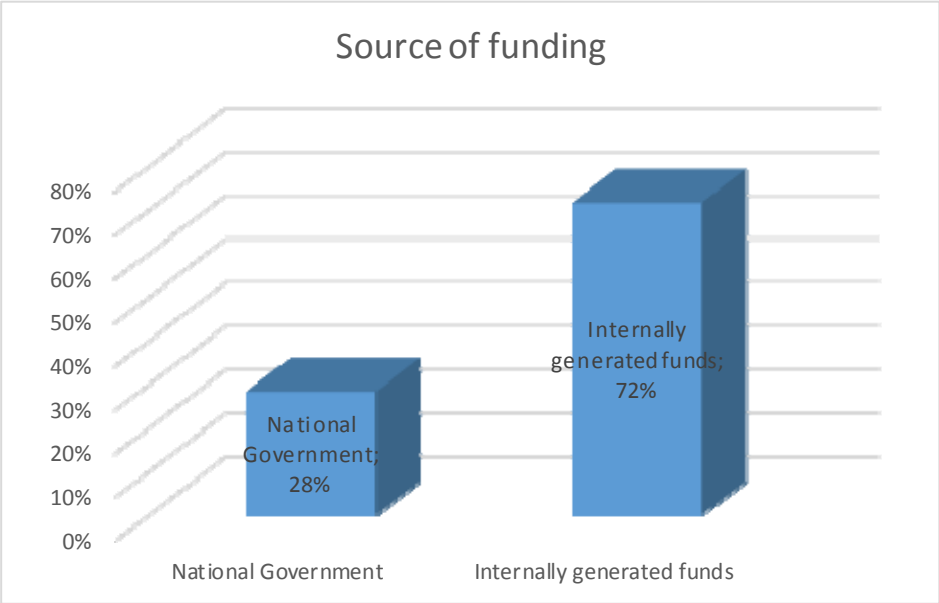


Figure 8 Sources of capital revenue for the 2017/18 financial year

Capital grants and receipts equates to 28 per cent of the total funding source which represents R27.2 million for the 2017/18 financial year and steadily increased to R28.6 million or 45 per cent 2017/18. Growth relating to internally generated funds receipts is 72, 55 and 39 per cent over the MTREF of capital expenditure for the year ending 2020.

Table 33-MBRR Capital transfers and grant receipts

LIM335 Maruleng - Supporting Table SA18 Transfers and grant receipts

Description	Ref	2013/14	2014/15	2015/16	Current Year 2016/17			2017/18 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
RECEIPTS:	1, 2									
Operating Transfers and Grants										
National Government:		68 042	77 054	100 118	94 154	94 154	94 154	102 322	110 393	105 337
Local Government Equitable Share		60 742	71 904	92 441	91 329	91 329	91 329	99 298	108 493	103 437
Finance Management		1 671	1 800	1 800	1 825	1 825	1 825	1 900	1 900	1 900
Municipal Systems Improvement		664	934	930						
Integrated National Electrification Programme		3 105		3 562						
EPWP Incentive		1 323	1 316	1 038	1 000	1 000	1 000	1 124		
disaster recovery		536	1 100	348						
Provincial Government:		–	–	–	–	–	–	–	–	–
disaster recovery										
District Municipality:		21	–	–	–	–	–	–	–	–
mopani district		21								
Other grant providers:		–	–	–	–	–	–	–	–	–
[insert description]										
Total Operating Transfers and Grants	5	68 062	77 054	100 118	94 154	94 154	94 154	102 322	110 393	105 337
Capital Transfers and Grants										
National Government:		27 869	25 309	30 068	29 419	49 660	49 660	27 223	28 600	30 054
Municipal Infrastructure Grant (MIG)		27 869	25 309	30 068	29 419	49 660	49 660	27 223	28 600	30 054
Other capital transfers/grants [insert desc]										
Provincial Government:		–	–	–	–	–	–	–	–	–
Other capital transfers/grants [insert description]										
District Municipality:		–	–	–	–	–	–	–	–	–
mopani district										
Other grant providers:		–	–	–	–	–	–	–	–	–
[insert description]										
Total Capital Transfers and Grants	5	27 869	25 309	30 068	29 419	49 660	49 660	27 223	28 600	30 054
TOTAL RECEIPTS OF TRANSFERS & GRANTS		95 932	102 363	130 187	123 573	143 814	143 814	129 545	138 993	135 391

2.6.3 Cash Flow Management

Cash flow management and forecasting is a critical step in determining if the budget is funded over the medium-term. The table below is consistent with international standards of good financial management practice and also improves understandability for councilors and management. Some specific features include:

- Clear separation of receipts and payments within each cash flow category;
- Clear separation of capital and operating receipts from government, which also enables cash from "Ratepayers and other to be provided for as cash inflow based on actual performance. In other words the *actual collection rate* of billed revenue,

Table 34- MBRR - Table A7 Budgeted Cash Flows

LIM335 Maruleng - Table A7 Budgeted Cash Flows

Description	Ref	2013/14	2014/15	2015/16	Current Year 2016/17				2017/18 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
CASH FLOW FROM OPERATING ACTIVITIES											
Receipts											
Property rates		12 594	22 383	23 827	29 087	33 754	33 754		37 974	40 139	42 387
Service charges		481	483	2 917	2 145	4 543	4 543		3 115	3 298	3 388
Other revenue		1 621	6 795	6 952	7 313	6 480	6 480		8 145	8 335	8 791
Government - operating	1	73 548	72 533	119 807	94 154	94 154	94 154		102 322	110 393	105 337
Government - capital	1	27 869	34 830	30 068	29 418	29 418	29 418		27 223	28 600	30 054
Interest		1 816	2 882	4 401	4 485	5 288	5 288		5 574	5 881	6 201
Dividends				–	–	–	–		–	–	–
Payments											
Suppliers and employees		(71 180)	(85 334)	(103 157)	(109 014)	(110 093)	(110 093)		(123 950)	(130 732)	(138 103)
Finance charges		(86)	(21)	(46)	(74)	(74)	(74)		(79)	(84)	(88)
Transfers and Grants	1				–				–	–	–
NET CASH FROM/(USED) OPERATING ACTIVITIES		46 664	54 551	84 769	57 514	63 469	63 469	–	60 325	65 830	57 966
CASH FLOWS FROM INVESTING ACTIVITIES											
Receipts											
Proceeds on disposal of PPE		(10 349)	–		3 700				5 000	–	–
Decrease (Increase) in non-current debtors									–	–	–
Decrease (increase) other non-current receivables									–	–	–
Decrease (increase) in non-current investments									–	–	–
Payments											
Capital assets		(22 492)	(40 146)	(52 291)	(68 884)	(70 884)	(70 884)		(96 045)	(62 980)	(49 052)
NET CASH FROM/(USED) INVESTING ACTIVITIES		(32 841)	(40 146)	(52 291)	(65 184)	(70 884)	(70 884)	–	(91 045)	(62 980)	(49 052)
CASH FLOWS FROM FINANCING ACTIVITIES											
Receipts											
Short term loans									–	–	–
Borrowing long term/refinancing		(256)	(237)	(208)					–	–	–
Increase (decrease) in consumer deposits									–	–	–
Payments											
Repayment of borrowing									–	–	–
NET CASH FROM/(USED) FINANCING ACTIVITIES		(256)	(237)	(208)	–	–	–	–	–	–	–
NET INCREASE/ (DECREASE) IN CASH HELD		13 566	14 168	32 270	(7 670)	(7 415)	(7 415)	–	(30 720)	2 850	8 913
Cash/cash equivalents at the year begin:	2	29 539	43 105	57 273	18 052	89 543	89 543		82 128	51 408	54 258
Cash/cash equivalents at the year end:	2	43 105	57 273	89 543	10 382	82 128	82 128	–	51 408	54 258	63 172

- The above table shows that cash and cash equivalents of the Municipality has a positive cash flow movement from 2013/14 to 2019/20 by R51.4 million to R63,1 million. With the 2015/16 adjustments budget various cost efficiencies and savings had to be realized to ensure the Municipality could meet its operational expenditure commitments.
- In addition the Municipality undertook an extensive debt collection process to boost cash levels. These initiatives and interventions have translated into a positive cash position for the Municipality. For the 2017/18 MTREF the budget has been prepared to ensure high levels of cash and cash equivalents over the medium-term with cash levels anticipated to exceed R63.1 Million.

2.6.4 Cash Backed Reserves/Accumulated Surplus Reconciliation

This following table meets the requirements of MFMA Circular 42 which deals with the funding of a municipal budget in accordance with sections 18 and 19 of the MFMA. The table seeks to answer three key questions regarding the use and availability of cash:

- What are the predicted cash and investments that are available at the end of the budget year?
- How are those funds used?
- What is the net funds available or funding shortfall?

A surplus would indicate the cash-backed accumulated surplus that was/is available. A shortfall (applications > cash and investments) is indicative of non-compliance with section 18 of the MFMA requirement that the municipality's budget must be "funded. Non-compliance with section 18 is assumed because a shortfall would indirectly indicate that the annual budget is not appropriately funded (budgeted spending is greater than funds available or to be collected). It is also important to analyse trends to understand the consequences, e.g. the budget year might indicate a small surplus situation, which in itself is an appropriate outcome, but if in prior years there were much larger surpluses then this negative trend may be a concern that requires closer examination.

Table 35: cash backed reserve/ accumulated surplus reconciliation

LIM335 Maruleng - Table A8 Cash backed reserves/accumulated surplus reconciliation

Description	Ref	2013/14	2014/15	2015/16	Current Year 2016/17				2017/18 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
Cash and investments available											
Cash/cash equivalents at the year end	1	43 105	57 273	89 543	10 382	82 128	82 128	–	51 408	54 258	63 172
Other current investments > 90 days		(0)	0	(0)	52 000	(0)	(0)	–	–	–	–
Non current assets - Investments	1	–	–	–	–	–	–	–	–	–	–
Cash and investments available:		43 105	57 273	89 543	62 382	82 128	82 128	–	51 408	54 258	63 172
Application of cash and investments											
Unspent conditional transfers		9 227	5 036	24 724	3 500	3 500	3 500	–	1 500	1 000	1 250
Unspent borrowing		–	–	–	–	–	–		–	–	–
Statutory requirements	2								(20 500)		
Other working capital requirements	3	(12 731)	1 059	(5 043)	(5 305)	759	759	–	(1 568)	(1 477)	(1 392)
Other provisions									11 905	12 465	12 520
Long term investments committed	4	–	–	–	–	–	–	–	–	–	–
Reserves to be backed by cash/investments	5				6 959				8 471	6 979	7 370
Total Application of cash and investments:		(3 504)	6 095	19 681	5 155	4 259	4 259	–	(192)	18 967	19 748
Surplus(shortfall)		46 609	51 178	69 862	57 227	77 869	77 869	–	51 600	35 291	43 423

From the above table it can be seen that the cash and investments available total R51.6 million for 2017/18 financial year and decreased to R43.4 million by 2019/20, including the projected cash and cash equivalents as determined in the cash flow forecast.

Unspent conditional transfers (grants) are automatically assumed to be an obligation as the municipality has received government transfers in advance of meeting the conditions. Ordinarily, unless there are special circumstances, the municipality is obligated to return unspent conditional grant funds to the national revenue fund at the end of the financial year.

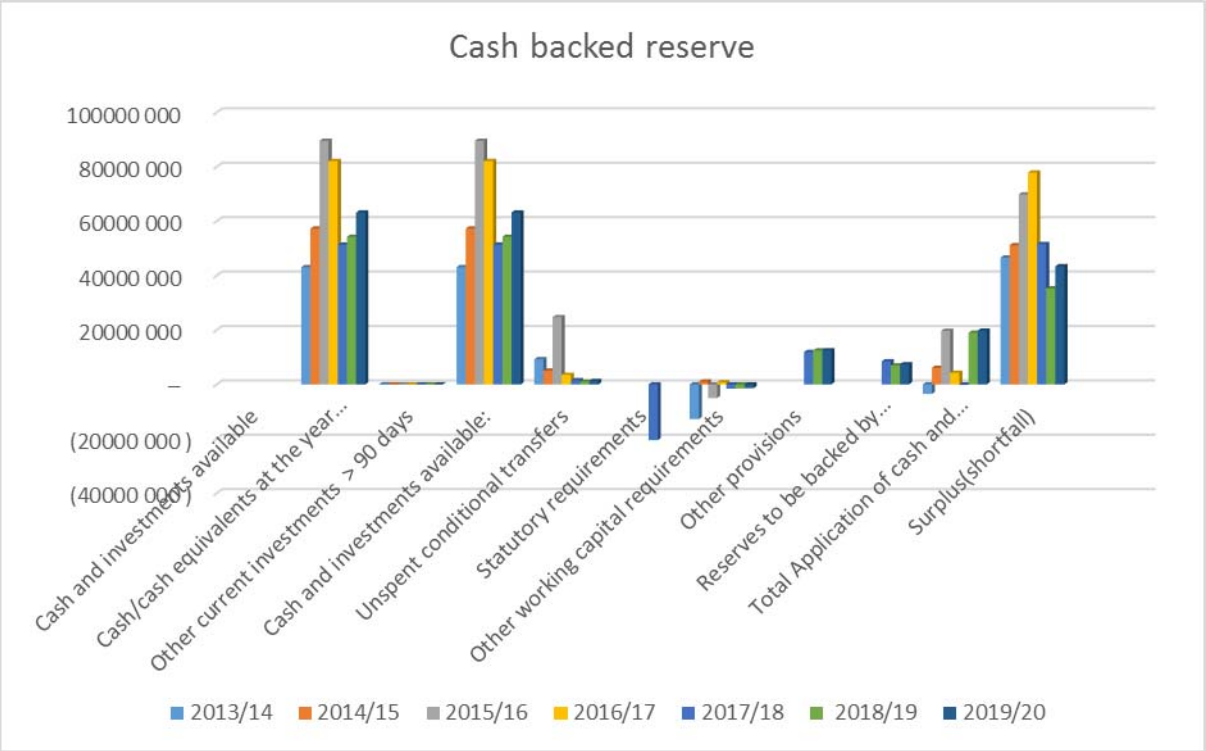
- The main purpose of other working capital is to ensure that sufficient funds are available to meet obligations as they fall due. A key challenge is often the mismatch between the timing of receipts of funds from debtors and payments due to employees and creditors. High levels of debtor non-payment and receipt delays will have a greater requirement for working capital,

- For the purpose of the cash backed reserves and accumulated surplus reconciliation a provision equivalent to one month's operational expenditure has been provided for. It needs to be noted that although this can be considered prudent, the desired cash levels should be 60 days to ensure continued liquidity of the municipality. Any underperformance in relation to collections could place upward pressure on the ability of the Municipality to meet its creditor obligations.

Most reserve fund cash-backing is discretionary in nature, but the reserve funds are not available to support a budget unless they are cash-backed. The reserve funds are not fully cash-backed. The level of cash-backing is directly informed by the municipality's cash backing policy. These include the rehabilitation of landfill sites and quarries.

It can be concluded that the Municipality has a surplus against the cash backed and accumulated surpluses reconciliation.

The following graph supplies an analysis of the trends relating cash and cash equivalents and the cash backed reserves/accumulated funds reconciliation over a seven year perspective



2.6.5 Funding compliance measurement

National Treasury requires that the municipality assess its financial sustainability against fourteen different measures that look at various aspects of the financial health of the municipality. These measures are contained in the following table. All the information comes directly from the annual budgeted statements of financial performance, financial position and cash flows. The funding compliance measurement table essentially measures the degree to which the proposed budget complies with the funding requirements of the MFMA. Each of the measures is discussed below.

Table 36: Funding compliance measurement

LIM335 Maruleng Supporting Table SA10 Funding measurement

Description	MFMA section	Ref	2013/14	2014/15	2015/16	Current Year 2016/17				2017/18 Medium Term Revenue & Expenditure Framework		
			Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
Funding measures												
Cash/cash equivalents at the year end - R'000	18(1)b	1	43 105	57 273	89 543	10 382	82 128	82 128	–	51 408	54 258	63 172
Cash + investments at the yr end less applications - R'000	18(1)b	2	46 609	51 178	69 862	57 227	77 869	77 869	–	51 600	35 291	43 423
Cash year end/monthly employee/supplier payments	18(1)b	3	9,1	7,1	12,6	1,4	9,9	9,9	–	5,0	5,0	5,4
Surplus/(Deficit) excluding depreciation offsets: R'000	18(1)	4	10 195	12 747	32 564	43 933	51 197	51 197	–	13 765	12 904	1 015
Service charge rev % change - macro CPIX target exclusive	18(1)a,(2)	5	N.A.	112,3%	(1,2%)	(7,1%)	72,9%	(6,0%)	(106,0%)	(16,5%)	(0,3%)	(0,4%)
Cash receipts % of Ratepayer & Other revenue	18(1)a,(2)	6	67,5%	71,1%	79,8%	91,8%	64,9%	64,9%	0,0%	78,0%	77,6%	77,5%
Debt impairment expense as a % of total billable revenue	18(1)a,(2)	7	18,7%	93,8%	24,0%	13,3%	21,9%	21,9%	0,0%	35,1%	35,1%	35,1%
Capital payments % of capital expenditure	18(1)c;19	8	99,4%	96,1%	118,8%	84,3%	84,1%	84,1%	0,0%	100,0%	100,0%	100,0%
Borrowing receipts % of capital expenditure (excl. transfers)	18(1)c	9	(4,1%)	(3,4%)	(2,1%)	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%
Grants % of Govt. legislated/gazetted allocations	18(1)a	10								100,0%	100,0%	100,0%
Current consumer debtors % change - incr(decr)	18(1)a	11	N.A.	(48,1%)	91,7%	(32,6%)	(16,8%)	0,0%	(100,0%)	0,4%	1,6%	(4,4%)
Long term receivables % change - incr(decr)	18(1)a	12	N.A.	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%
R&M % of Property Plant & Equipment	20(1)(vi)	13	0,5%	0,6%	0,5%	0,7%	1,2%	1,2%	0,0%	0,7%	0,8%	0,8%
Asset renewal % of capital budget	20(1)(vi)	14	7,3%	9,2%	13,7%	7,6%	8,1%	8,1%	0,0%	7,3%	17,5%	10,2%

References

2.6.5.1 Cash/cash equivalent position

- The Municipality's forecast cash position was discussed as part of the budgeted cash flow statement. A 'positive cash position, for each year of the MTREF would generally be a minimum requirement, subject to the planned application of these funds such as cash-backing of reserves and working capital requirements.

- If the municipality's forecast cash position is negative, for any year of the medium term budget, the budget is very unlikely to meet MFMA requirements or be sustainable and could indicate a risk of non-compliance with section 45 of the MFMA which deals with the repayment of short term debt at the end of the financial year. The forecasted cash and cash equivalents for the 2017/18 MTREF shows a positive movement of R51.4 million, R63.1 million for each respective financial year. The positive cash flows show that the municipality is complying with section 18 of the MFMA.

2.6.5.2 Cash plus investments less application of funds

- The purpose of this measure is to understand how the municipality has applied the available cash and investments as identified in the budgeted cash flow statement. The detail reconciliation of the cash backed reserves/surpluses is contained in Table 35; the reconciliation is intended to be a relatively simple methodology for understanding the budgeted amount of cash and investments available with any planned or required applications

to be made. The municipality has two investments, on the table is shows that the municipality will be having an investments of R51.6 million by 20017/18 financial period.

2.6.5.3 Monthly average payments covered by cash or cash equivalents

- The purpose of this measure is to understand the level of financial risk should the municipality be under stress from a collection and cash in-flow perspective. Regardless of the annual cash position an evaluation should be made of the ability of the Municipality to meet monthly payments as and when they fall due. It is especially important to consider the position should the municipality be faced with an unexpected disaster that threatens revenue collection such as rate boycotts. Notably, the ratio has been increasing significantly for the period 2017/18 to 2019/20, moving from 5.0 to 5.4 as indicated above the Municipality aims to achieve at least seven month's cash coverage in the medium term, and then gradually move towards seven months coverage. This measure will have to be carefully monitored going forward.

2.6.5.4 Surplus/deficit excluding depreciation offsets

- The main purpose of this measure is to understand if the revenue levels are sufficient to conclude that the community is making a sufficient contribution for the municipal resources consumed each year. A surplus/deficit is achieved by offsetting the amount of depreciation related to externally funded assets. Municipalities need to assess the result of this calculation taking into consideration its own circumstances and levels of backlogs. If the outcome is a deficit, it may indicate that rates and service charges are insufficient to ensure that the community is making a sufficient contribution toward the economic benefits they are consuming over the medium term. For the 2017/18 MTREF the indicative outcome is a surplus of R13.7 million and R12.9 million and R1 million for the two outer years.

2.6.5.5 Property Rates/service charge revenue as a percentage increase less macro inflation target

- The purpose of this measure is to understand whether the municipality is contributing appropriately to the achievement of national inflation targets. This measure is based on the increase in revenue, which will include both the change in the tariff as well as any assumption about real growth such as new property development, services consumption growth etc.
- The factor is calculated by deducting the maximum macro-economic inflation target increase (which is currently 16,5 per cent). The result is intended to be an approximation of the real increase in revenue. From the table above it can be seen that the percentage degrees to 0.4 for the two respective years

2.6.5.6 Cash receipts as a percentage of ratepayers and other revenue

- This factor is a macro measure of the rate at which funds are collected. This measure is intended to analyze the underlying assumed collection rate for the MTREF to determine the relevance and credibility of the budget assumptions contained in the budget. It can be seen that the outcome is at 78 percent , In addition the risks associated with objections to the valuation roll need to be clarified and hence the conservative approach, also taking into consideration the cash flow challenges experienced in the current financial year. This measure and performance objective will have to be meticulously managed. Should performance with the mid-year review and adjustments be positive in relation to actual collections of billed revenue, the adjustments budget will be amended accordingly?

2.6.5.7 Debt impairment expense as a percentage of billable revenue

- This factor measures whether the provision for debt impairment is being adequately funded and is based on the underlying assumption that the provision for debt impairment (doubtful and bad debts) has to be increased to offset under-collection of billed revenues. The provision has been appropriated at 35.1 percent over the MTREF. Considering the debt incentive

scheme and the municipality's revenue management strategy's objective to collect outstanding debtors of 90 days, the provision is not well within the accepted leading practice.

2.6.5.8 Capital payments percentage of capital expenditure

- The purpose of this measure is to determine whether the timing of payments has been taken into consideration when forecasting the cash position. It can be seen that a 100 per cent timing discount has been factored into the cash position forecasted over the entire financial year. The municipality aims to keep this as low as possible through strict compliance with the legislative requirement that debtors be paid within 30 days.

2.6.5.9 Borrowing as a percentage of capital expenditure (excluding transfers, grants and contributions)

- The purpose of this measurement is to determine the proportion of a municipality's „own-funded capital expenditure budget that is being funded from borrowed funds to confirm MFMA compliance. Externally funded expenditure (by transfers/grants and contributions) has been be excluded. It can be seen that borrowing equates to 0 per cent of own funded capital. The municipality does not borrow money from external stakeholders

2.6.5.10 Transfers/grants revenue as a percentage of Government transfers/grants available

- The purpose of this measurement is mainly to ensure that all available transfers from national and provincial government have been budgeted for. A percentage less than 100 per cent could indicate that not all grants as contained in the Division of Revenue Act (DoRA) have been budgeted for. The Municipality has budgeted for all transfers.

2.6.5.11 Consumer debtors change (Current and Non-current)

The purpose of these measures is to ascertain whether budgeted reductions in outstanding debtors are realistic. There are 2 measures shown for this factor; the change in current debtors and the change in long term receivables, both from the Budgeted Financial Position. Both measures show a relatively stable trend in line with the Municipality's policy of settling debtor's accounts within 30 day

2.6.5.12 Repairs and maintenance expenditure level

- This measure must be considered important within the context of the funding measures criteria because a trend that indicates insufficient funds are being committed to asset repair could also indicate that the overall budget is not credible and/or sustainable in the medium to long term because the revenue budget is not being protected. Details of the Municipality's strategy pertaining to asset management and repairs and maintenance are contained in MBRR SA34C

2.6.5.13Asset renewal/rehabilitation expenditure level

- This measure has a similar objective to aforementioned objective relating to repairs and maintenance. A requirement of the detailed capital budget (since MFMA Circular 28 which was issued in December 2005) is to categorise each capital project as a new asset or a renewal/rehabilitation project. The objective is to summarise and understand the proportion of budgets being provided for new assets and also asset sustainability. A declining or low level of renewal funding may indicate that a budget is not credible and/or sustainable and future revenue is not being protected, similar to the justification for „repairs and maintenance budgets.

2.7 EXPENDITURE ON GRANTS AND RECONCILIATIONS OF UNSPENT FUNDS

Table 37- MBRR Table SA19 Expenditure on transfers and grant programme

LIM335 Maruleng - Supporting Table SA19 Expenditure on transfers and grant programme

Description	Ref	2013/14	2014/15	2015/16	Current Year 2016/17			2017/18 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
EXPENDITURE:	1									
Operating expenditure of Transfers and Grants										
National Government:		68 042	77 054	100 118	94 154	94 154	94 154	102 322	110 393	105 337
Local Government Equitable Share		60 742	71 904	92 441	91 329	91 329	91 329	99 298	108 493	103 437
Finance Management		1 671	1 800	1 800	1 825	1 825	1 825	1 900	1 900	1 900
Municipal Systems Improvement		664	934	930						
Integrated National Electrification Programme		3 105		3 562						
EPWP Incentive		1 323	1 316	1 038	1 000	1 000	1 000	1 124		
disaster recovery		536	1 100	348						
Provincial Government:		–	–	–	–	–	–	–	–	–
disaster recovery										
District Municipality:		21	–	–	–	–	–	–	–	–
mopani district		21								
Other grant providers:		–	–	–	–	–	–	–	–	–
[insert description]										
Total operating expenditure of Transfers and Grants		68 062	77 054	100 118	94 154	94 154	94 154	102 322	110 393	105 337
Capital expenditure of Transfers and Grants										
National Government:		27 869	25 309	30 068	29 419	49 660	49 660	27 223	28 600	30 054
Municipal Infrastructure Grant (MIG)		27 869	25 309	30 068	29 419	49 660	49 660	27 223	28 600	30 054
Other capital transfers/grants [insert desc]										
Provincial Government:		–	–	–	–	–	–	–	–	–
Other capital transfers/grants [insert description]										
District Municipality:		–	–	–	–	–	–	–	–	–
mopani district										
Other grant providers:		–	–	–	–	–	–	–	–	–
[insert description]										
Total capital expenditure of Transfers and Grants		27 869	25 309	30 068	29 419	49 660	49 660	27 223	28 600	30 054
TOTAL EXPENDITURE OF TRANSFERS AND GRANT		95 932	102 363	130 187	123 573	143 814	143 814	129 545	138 993	135 391

Table 38- MBRR SA20 - Reconciliation of transfers, grant receipts and unspent funds

LIM335 Maruleng - Supporting Table SA20 Reconciliation of transfers, grant receipts and unspent funds

Description	Ref	2013/14	2014/15	2015/16	Current Year 2016/17			2017/18 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
Operating transfers and grants:	1,3									
National Government:										
Balance unspent at beginning of the year		3 721	226	555						
Current year receipts		64 546	77 054	104 045	94 154	94 154	94 154	102 322	110 393	105 337
Conditions met - transferred to revenue		68 042	76 724	100 118	94 154	94 154	94 154	102 322	110 393	105 337
Conditions still to be met - transferred to liabilities		226	555	4 482						
Provincial Government:										
Balance unspent at beginning of the year										
Current year receipts										
Conditions met - transferred to revenue		–	–	–	–	–	–	–	–	–
Conditions still to be met - transferred to liabilities										
District Municipality:										
Balance unspent at beginning of the year		21								
Current year receipts										
Conditions met - transferred to revenue		21	–	–	–	–	–	–	–	–
Conditions still to be met - transferred to liabilities										
Other grant providers:										
Balance unspent at beginning of the year										
Current year receipts										
Conditions met - transferred to revenue		–	–	–	–	–	–	–	–	–
Conditions still to be met - transferred to liabilities										
Total operating transfers and grants revenue		68 062	76 724	100 118	94 154	94 154	94 154	102 322	110 393	105 337
Total operating transfers and grants - CTBM	2	226	555	4 482	–	–	–	–	–	–
Capital transfers and grants:	1,3									
National Government:										
Balance unspent at beginning of the year		(307)	9 002	4 481						
Current year receipts		25 727	30 309	49 739	47 918	49 660	49 660	27 223	28 600	30 054
Conditions met - transferred to revenue		16 418	34 830	33 978	47 918	49 660	49 660	27 223	28 600	30 054
Conditions still to be met - transferred to liabilities		9 002	4 481	20 242						
Provincial Government:										
Balance unspent at beginning of the year										
Current year receipts										
Conditions met - transferred to revenue		–	–	–	–	–	–	–	–	–
Conditions still to be met - transferred to liabilities										
District Municipality:										
Balance unspent at beginning of the year										
Current year receipts										
Conditions met - transferred to revenue		–	–	–	–	–	–	–	–	–
Conditions still to be met - transferred to liabilities										
Other grant providers:										
Balance unspent at beginning of the year										
Current year receipts										
Conditions met - transferred to revenue		–	–	–	–	–	–	–	–	–
Conditions still to be met - transferred to liabilities										
Total capital transfers and grants revenue		16 418	34 830	33 978	47 918	49 660	49 660	27 223	28 600	30 054
Total capital transfers and grants - CTBM	2	9 002	4 481	20 242	–	–	–	–	–	–
TOTAL TRANSFERS AND GRANTS REVENUE		84 481	111 554	134 096	142 072	143 814	143 814	129 545	138 993	135 391
TOTAL TRANSFERS AND GRANTS - CTBM		9 227	5 036	24 724	–	–	–	–	–	–

2.8. COUNCILLOR AND EMPLOYEE BENEFITS

Table 39- MBRR SA22 - Summary councilor and staff benefit

LIM335 Maruleng - Supporting Table SA22 Summary councillor and staff benefits

Summary of Employee and Councillor remuneration	Ref	2013/14	2014/15	2015/16	Current Year 2016/17			2017/18 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
	1	A	B	C	D	E	F	G	H	I
Councillors (Political Office Bearers plus Other)										
Basic Salaries and Wages		4 551	4 270	6 107	5 885	5 765	5 765	6 320	6 699	7 101
Pension and UIF Contributions		814	894	885	1 002	902	902	1 071	1 136	1 204
Medical Aid Contributions		53	79	114	130	70	70	17	19	20
Motor Vehicle Allowance		1 714	1 915	1 869	2 127	1 977	1 977	1 978	2 097	2 222
Cellphone Allowance		533	597	536	608	608	608	659	698	740
Housing Allowances				–		–	–			
Other benefits and allowances			50	–	81	–	–			
Sub Total - Councillors		7 665	7 805	9 511	9 832	9 321	9 321	10 045	10 648	11 287
% increase	4		1,8%	21,9%	3,4%	(5,2%)	–	7,8%	6,0%	6,0%
Senior Managers of the Municipality	2									
Basic Salaries and Wages		1 792	2 770	3 343	3 675	3 675	3 675	3 781	4 007	4 248
Pension and UIF Contributions		489	578	624	1 021	1 021	1 021	855	906	960
Medical Aid Contributions		110	123	159	163	163	163	121	128	136
Overtime						–	–		–	–
Performance Bonus		276	84	82	995	995	995	951	1 008	1 069
Motor Vehicle Allowance	3	790	1 012	1 110	1 599	1 599	1 599	1 162	1 231	1 305
Cellphone Allowance	3	43	68	76	69	69	69	82	87	92
Housing Allowances	3					–	–		–	–
Other benefits and allowances	3	26	38	44	37	37	37	38	41	43
Payments in lieu of leave						238	238		–	
Long service awards						–	–			
Post-retirement benefit obligations	6					–	–			
Sub Total - Senior Managers of Municipality		3 527	4 675	5 437	7 559	7 798	7 798	6 989	7 409	7 853
% increase	4		32,6%	16,3%	39,0%	3,2%	–	(10,4%)	6,0%	6,0%
Other Municipal Staff										
Basic Salaries and Wages		19 244	22 468	23 911	27 619	28 261	28 261	37 535	40 200	43 054
Pension and UIF Contributions		4 156	5 446	5 030	5 415	5 554	5 554	7 964	8 530	9 136
Medical Aid Contributions		141	1 597	2 484	1 838	1 901	1 901	2 360	2 527	2 705
Overtime		437	570	2 033	2 283	2 167	2 167	1 485	1 589	1 700
Performance Bonus		1 631	1 945	1 972	1 959	1 781	1 781	3 219	3 454	3 706
Motor Vehicle Allowance	3	315	1 160	2 534	2 511	2 602	2 602	4 932	5 289	5 671
Cellphone Allowance	3	806	383	425	487	517	517	723	774	829
Housing Allowances	3	63	67	160	184	170	170	181	194	207
Other benefits and allowances	3		640	398	486	574	574	1 099	1 177	1 260
Payments in lieu of leave		331	300	545	56	187	187	120	128	137
Long service awards		53	21	322	94	175	175	179	192	205
Post-retirement benefit obligations	6			–						
Sub Total - Other Municipal Staff		27 178	34 597	39 815	42 930	43 891	43 891	59 797	64 053	68 611
% increase	4		27,3%	15,1%	7,8%	2,2%	–	36,2%	7,1%	7,1%
Total Parent Municipality		38 369	47 077	54 764	60 321	61 009	61 009	76 832	82 110	87 751
			22,7%	16,3%	10,1%	1,1%	–	25,9%	6,9%	6,9%
Board Members of Entities										
Basic Salaries and Wages										
Pension and UIF Contributions										
Medical Aid Contributions										
Overtime										
Performance Bonus										
Motor Vehicle Allowance	3									
Cellphone Allowance	3									
Housing Allowances	3									
Other benefits and allowances	3									
Board Fees										
Payments in lieu of leave										
Long service awards										
Post-retirement benefit obligations	6									
Sub Total - Board Members of Entities		–	–	–	–	–	–	–	–	–
% increase	4		–	–	–	–	–	–	–	–
Senior Managers of Entities										
Basic Salaries and Wages										
Pension and UIF Contributions										
Medical Aid Contributions										
Overtime										
Performance Bonus										
Motor Vehicle Allowance	3									
Cellphone Allowance	3									
Housing Allowances	3									
Other benefits and allowances	3									
Payments in lieu of leave										
Long service awards										
Post-retirement benefit obligations	6									
Sub Total - Senior Managers of Entities		–	–	–	–	–	–	–	–	–
% increase	4		–	–	–	–	–	–	–	–
Other Staff of Entities										
Basic Salaries and Wages										
Pension and UIF Contributions										
Medical Aid Contributions										
Overtime										
Performance Bonus										
Motor Vehicle Allowance	3									
Cellphone Allowance	3									
Housing Allowances	3									
Other benefits and allowances	3									
Payments in lieu of leave										
Long service awards										
Post-retirement benefit obligations	6									
Sub Total - Other Staff of Entities		–	–	–	–	–	–	–	–	–
% increase	4		–	–	–	–	–	–	–	–
Total Municipal Entities		–	–	–	–	–	–	–	–	–
TOTAL SALARY, ALLOWANCES & BENEFITS		38 369	47 077	54 764	60 321	61 009	61 009	76 832	82 110	87 751
% increase	4		22,7%	16,3%	10,1%	1,1%	–	25,9%	6,9%	6,9%
TOTAL MANAGERS AND STAFF	5,7	30 705	39 272	45 253	50 489	51 688	51 688	66 787	71 462	76 464

Table 40 MBRR SA23 - Salaries, allowances & benefits (political office bearers/councilors/senior managers)

LIM335 Maruleng - Supporting Table SA23 Salaries, allowances & benefits (political office bearers/councillors/senior managers)

Disclosure of Salaries, Allowances & Benefits 1. Rand per annum	Ref	No.	Salary	Contributions 1.	Allowances	Performance Bonuses	In-kind benefits	Total Package 2.
Councillors	3							
Speaker	4		386 071	68 130	219 054			673 255
Chief Whip			387 795	68 434	176 472			632 702
Executive Mayor			671 958	139 115	24 396			835 469
Deputy Executive Mayor								–
Executive Committee			1 391 664	198 728	668 269			2 258 661
Total for all other councillors			3 482 158	614 499	1 548 368			5 645 026
Total Councillors	8	–	6 319 647	1 088 906	2 636 559			10 045 112
Senior Managers of the Municipality	5							
Municipal Manager (MM)			646 162	196 047	233 195	145 907		1 221 311
Chief Finance Officer			786 967	107 820	214 967	152 383		1 262 137
Director corporate services			561 994	130 975	182 787	119 938		995 693
Director Technical			561 994	130 975	182 787	119 938		995 693
Director SPED			552 997	222 254	329 447	152 002		1 256 700
Director Community services			670 418	334 967	100 487	152 002		1 257 874
List of each offical with packages >= senior manager								
								–
								–
								–
								–
								–
								–
								–
								–
								–
								–
								–
								–
Total Senior Managers of the Municipality	8,10	–	3 780 531	1 123 037	1 243 670	842 170		6 989 409
A Heading for Each Entity	6,7							
List each member of board by designation								
								–
								–
								–
								–
								–
								–
								–
								–
								–
								–
								–
								–
								–
								–
								–
								–
Total for municipal entities	8,10	–	–	–	–	–		–
TOTAL COST OF COUNCILLOR, DIRECTOR and EXECUTIVE REMUNERATION	10	–	10 100 178	2 211 944	3 880 229	842 170		17 034 521

Table 41-MBRR - SA24 Summary of personnel numbers

LIM335 Maruleng - Supporting Table SA24 Summary of personnel numbers

Summary of Personnel Numbers	Ref	2015/16			Current Year 2016/17			Budget Year 2017/18		
Number	1,2	Positions	Permanent employees	Contract employees	Positions	Permanent employees	Contract employees	Positions	Permanent employees	Contract employees
Municipal Council and Boards of Municipal Entities										
Councillors (Political Office Bearers plus Other Councillors)										
Board Members of municipal entities	4									
Municipal employees	5									
Municipal Manager and Senior Managers	3	6	–	6	6	–	6	6	–	6
Other Managers	7	19	19	–	3	3	–	3	3	–
Professionals		*168*	*157*	*11*	*185*	*174*	*11*	*198*	*186*	*12*
Finance		18	15	3	23	20	3	25	22	3
Spatial/town planning		9	8	1	11	10	1	11	10	1
Information Technology		3	2	1	3	2	1	3	2	1
Roads		10	10	–	10	10	–	10	10	–
Electricity		3	3	–	3	3	–	3	3	–
Water		17	17	–	17	17	–	17	17	–
Sanitation		–	–	–	–	–	–			
Refuse		8	8	–	8	8	–	8	8	–
Other		100	94	6	110	104	6	121	114	7
Technicians		–	–	–	–	–	–	–	–	–
Finance										
Spatial/town planning										
Information Technology										
Roads										
Electricity										
Water										
Sanitation										
Refuse										
Other										
Clerks (Clerical and administrative)										
Service and sales workers										
Skilled agricultural and fishery workers										
Craft and related trades										
Plant and Machine Operators										
Elementary Occupations										
TOTAL PERSONNEL NUMBERS	9	193	176	17	194	177	17	207	189	18
% increase					0,5%	0,6%	–	6,7%	6,8%	5,9%

2.9 MONTHLY TARGETS FOR REVENUE, EXPENDITURE AND CASH FLOW

TABLE 42:MBRR SA25 - Budgeted monthly revenue and expenditure – see attached copy of the Annual Budget

LIM335 Maruleng - Supporting Table SA25 Budgeted monthly revenue and expenditure

Description	Ref	Budget Year 2017/18												Medium Term Revenue and Expenditure Framework		
R thousand		July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
Revenue By Source																
Property rates		5 080	5 660	4 236	5 080	4 695	5 730	3 990	2 625	3 835	3 960	3 045	3 340	51 279	54 202	57 237
Service charges - electricity revenue		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Service charges - water revenue		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Service charges - sanitation revenue		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Service charges - refuse revenue		283	344	389	283	248	251	366	291	360	180	280	332	3 607	3 813	4 026
Service charges - other		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Rental of facilities and equipment		30	26	41	30	26	27	39	26	28	19	30	20	341	361	381
Interest earned - external investments		472	407	649	472	413	418	611	402	434	300	466	316	5 361	5 666	5 984
Interest earned - outstanding debtors		19	16	26	19	16	17	24	16	17	12	19	13	213	225	238
Dividends received													–	–	–	–
Fines, penalties and forfeits		30	26	41	30	26	26	38	25	27	19	29	20	336	355	375
Licences and permits		284	245	391	284	249	252	368	242	262	181	281	190	3 229	3 413	3 604
Agency services		206	178	283	206	180	182	266	175	189	131	203	138	2 337	2 470	2 609
Transfers and subsidies		9 004	7 776	12 381	9 004	7 879	7 981	11 665	7 674	8 288	5 730	8 902	6 037	102 322	110 393	105 337
Other revenue		155	134	214	155	136	138	201	132	143	99	154	104	1 765	1 866	1 970
Gains on disposal of PPE		426	581	448	526	485	489	422	478	500	307	422	418	5 500	–	–
Total Revenue (excluding capital transfers and cont		15 988	15 395	19 097	16 088	14 352	15 510	17 992	12 087	14 084	10 938	13 831	10 929	176 290	182 764	181 760
Expenditure By Type																
Employee related costs		5 335	4 608	7 336	5 335	4 668	4 729	6 911	4 547	4 911	3 395	5 275	9 737	66 787	71 462	76 464
Remuneration of councillors		884	763	1 215	884	773	784	1 145	753	814	563	874	593	10 045	10 648	11 287
Debt impairment		1 255	1 084	1 726	1 255	1 098	1 112	1 626	1 070	1 155	799	1 241	5 841	19 262	20 360	21 500
Depreciation & asset impairment		3 378	2 918	4 645	3 378	2 956	2 994	4 376	2 879	3 110	2 150	3 340	2 265	38 389	40 578	42 850
Finance charges		7	6	10	7	6	6	9	6	6	4	7	5	79	84	88
Bulk purchases		125	108	171	125	109	111	162	106	115	79	123	84	1 417	1 498	1 582
Other materials		328	283	451	328	287	290	424	279	302	209	324	220	3 723	3 935	4 156
Contracted services		733	633	1 008	733	642	650	950	625	675	467	725	492	8 332	8 807	9 300
Transfers and subsidies		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Other expenditure		3 303	2 853	4 542	3 303	2 890	2 928	4 279	2 815	3 040	2 102	3 265	4 045	39 363	40 719	43 183
Loss on disposal of PPE		231	227	342	131	227	127	140	226	128	220	130	221	2 349	369	390
Total Expenditure		15 579	13 482	21 446	15 479	13 656	13 731	20 022	13 307	14 255	9 986	15 304	23 500	189 748	198 460	210 800
Surplus/(Deficit)		410	1 913	(2 349)	610	696	1 779	(2 031)	(1 220)	(172)	952	(1 473)	(12 571)	(13 458)	(15 696)	(29 039)
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)		2 396	2 069	3 294	2 396	2 096	2 123	3 103	2 042	2 205	1 524	2 368	1 606	27 223	28 600	30 054
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporatons, Higher Educational Institutions)													–	–	–	–
Transfers and subsidies - capital (in-kind - all)													–	–	–	–
Surplus/(Deficit) after capital transfers & contributions		2 805	3 982	945	3 005	2 792	3 902	1 073	822	2 033	2 476	895	(10 965)	13 765	12 904	1 015
Taxation													–	–	–	–
Attributable to minorities													–	–	–	–
Share of surplus/ (deficit) of associate													–	–	–	–
Surplus/(Deficit)	1	2 805	3 982	945	3 005	2 792	3 902	1 073	822	2 033	2 476	895	(10 965)	13 765	12 904	1 015

TABLE 43: MBRR SA26 - Budgeted monthly revenue and expenditure (municipal vote)

LIM335 Maruleng - Supporting Table SA26 Budgeted monthly revenue and expenditure (municipal vote)

Description	Ref	Budget Year 2017/18												Medium Term Revenue and Expenditure Framework		
R thousand		July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
Revenue by Vote																
Vote 1 - Executive and Council		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 2 - Budget and treasury		15 239	13 161	20 954	15 239	13 335	17 508	19 742	14 988	17 027	11 698	15 066	17 292	191 250	199 590	199 381
Vote 3 - Corporate Services		5	4	7	5	4	4	6	4	5	3	5	3	56	60	63
Vote 4 - Planning and Development		108	93	149	108	95	96	140	92	100	69	107	73	1 229	1 299	1 372
Vote 5 - Community and Social Services		129	112	178	129	113	114	167	110	119	82	128	87	1 468	363	384
Vote 6 - Sports and Recreation		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 7 - Waste Management		383	244	389	383	248	251	366	241	260	180	280	382	3 607	3 813	4 026
Vote 8 - Waste water Management		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 9 - Roads and Transport		519	449	714	519	454	460	673	443	478	331	513	348	5 902	6 238	6 588
Vote 10 - Water		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 11 - Public Safety		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 12 - Electricity Distribution		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 13 - [NAME OF VOTE 13]		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 14 - [NAME OF VOTE 14]		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 15 - [NAME OF VOTE 15]		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Total Revenue by Vote		16 384	14 063	22 391	16 384	14 249	18 434	21 095	15 878	17 989	12 363	16 099	18 185	203 513	211 364	211 814
Expenditure by Vote to be appropriated																
Vote 1 - Executive and Council		2 893	2 499	3 978	2 893	2 531	2 564	3 748	2 466	2 663	1 841	2 860	3 260	34 196	36 145	38 169
Vote 2 - Budget and treasury		6 731	7 813	9 254	7 731	6 889	5 966	8 719	5 736	6 195	6 283	8 654	6 414	86 385	89 055	95 086
Vote 3 - Corporate Services		1 498	1 293	2 059	1 498	1 310	1 327	1 940	1 276	1 378	953	1 481	3 550	19 564	20 829	22 168
Vote 4 - Planning and Development		558	354	942	758	663	672	782	646	698	482	749	608	7 912	8 363	8 840
Vote 5 - Community and Social Services		1 941	1 676	2 669	1 941	1 698	1 720	2 514	1 654	1 786	1 235	1 919	1 931	22 684	23 977	25 320
Vote 6 - Sports and Recreation		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 7 - Waste Management		318	275	438	318	278	282	412	271	293	203	315	213	3 616	3 823	4 037
Vote 8 - Waste water Management		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 9 - Roads and Transport		1 040	898	1 430	1 040	910	922	1 348	887	958	662	1 029	1 989	13 114	13 861	14 638
Vote 10 - Water		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 11 - Public Safety		76	65	104	76	66	67	98	65	70	48	75	51	860	909	960
Vote 12 - Electricity Distribution		125	108	171	125	109	111	162	106	115	79	123	84	1 417	1 498	1 582
Vote 13 - [NAME OF VOTE 13]		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 14 - [NAME OF VOTE 14]		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 15 - [NAME OF VOTE 15]		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Total Expenditure by Vote		15 179	14 982	21 046	16 379	14 456	13 631	19 722	13 107	14 155	11 786	17 204	18 100	189 748	198 460	210 800
Surplus/(Deficit) before assoc.		1 205	(918)	1 345	5	(208)	4 802	1 373	2 772	3 833	576	(1 105)	85	13 765	12 904	1 015
Taxation													–	–	–	–
Attributable to minorities													–	–	–	–
Share of surplus/ (deficit) of associate													–	–	–	–
Surplus/(Deficit)	1	1 205	(918)	1 345	5	(208)	4 802	1 373	2 772	3 833	576	(1 105)	85	13 765	12 904	1 015

TABLE 44: MBRR SA27 - Budgeted monthly revenue and expenditure (function classification)

LIM335 Maruleng - Supporting Table SA27 Budgeted monthly revenue and expenditure (functional classification)

Description	Ref	Budget Year 2017/18												Medium Term Revenue and Expenditure Framework		
R thousand		July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
Revenue - Functional																
Governance and administration		15 239	13 161	20 954	15 239	13 335	17 508	19 742	14 988	17 027	11 698	15 066	17 349	191 307	199 650	199 444
Executive and council													–	–	–	–
Finance and administration		15 239	13 161	20 954	15 239	13 335	17 508	19 742	14 988	17 027	11 698	15 066	17 349	191 307	199 650	199 444
Internal audit													–	–	–	–
Community and public safety		30	26	42	30	26	27	39	26	28	19	30	20	344	363	384
Community and social services		30	26	42	30	26	27	39	26	28	19	30	20	344	363	384
Sport and recreation													–	–	–	–
Public safety													–	–	–	–
Housing													–	–	–	–
Health													–	–	–	–
Economic and environmental services		238	219	289	138	221	222	178	217	327	188	236	216	2 689	1 655	1 747
Planning and development		208	193	249	108	195	196	140	192	300	169	207	197	2 353	1 299	1 372
Road transport		30	26	41	30	26	26	38	25	27	19	29	20	336	355	375
Environmental protection													–	–	–	–
Trading services		283	344	389	283	248	251	366	341	260	180	280	382	3 607	3 813	4 026
Energy sources													–	–	–	–
Water management													–	–	–	–
Waste water management													–	–	–	–
Waste management		283	344	389	283	248	251	366	341	260	180	280	382	3 607	3 813	4 026
Other		490	423	673	490	429	434	634	417	451	312	484	328	5 566	5 883	6 212
Total Revenue - Functional		16 280	14 174	22 348	16 180	14 258	18 441	20 961	15 990	18 093	12 396	16 096	18 296	203 513	211 364	211 814
Expenditure - Functional																
Governance and administration		14 940	13 175	16 792	15 940	11 322	12 469	15 763	11 028	11 910	11 234	12 793	13 813	161 181	168 564	179 404
Executive and council		3 038	2 624	3 177	2 038	2 658	2 693	2 936	2 589	2 796	1 933	3 003	3 935	33 420	35 325	37 304
Finance and administration		11 810	10 472	13 489	13 810	8 584	9 695	12 709	8 361	9 030	9 243	9 699	9 817	126 718	132 137	140 937
Internal audit		92	79	126	92	80	81	119	78	84	58	91	62	1 043	1 102	1 164
Community and public safety		93	71	68	73	82	83	111	80	76	59	92	73	960	1 015	1 072
Community and social services		84	63	56	64	74	75	99	72	68	54	84	67	860	909	960
Sport and recreation		9	8	12	9	8	8	11	8	8	6	9	6	100	106	112
Public safety													–	–	–	–
Housing													–	–	–	–
Health													–	–	–	–
Economic and environmental services		1 899	1 840	2 011	2 099	1 861	1 883	2 260	1 818	1 748	1 508	1 877	1 725	22 528	23 513	24 655
Planning and development		922	882	805	922	894	906	1 124	871	941	650	1 010	985	10 912	11 534	12 189
Road transport		977	957	1 206	1 177	967	977	1 136	947	807	858	867	740	11 617	11 979	12 467
Environmental protection													–	–	–	–
Trading services		443	383	609	443	388	393	574	378	408	282	438	297	5 034	5 320	5 618
Energy sources		125	108	171	125	109	111	162	106	115	79	123	84	1 417	1 498	1 582
Water management													–	–	–	–
Waste water management													–	–	–	–
Waste management		318	275	438	318	278	282	412	271	293	203	315	213	3 616	3 823	4 037
Other		4	3	5	4	3	4	5	3	4	3	4	3	45	48	50
Total Expenditure - Functional		17 379	15 472	19 486	18 559	13 656	14 831	18 712	13 307	14 145	13 086	15 204	15 910	189 748	198 460	210 800
Surplus/(Deficit) before assoc.		(1 099)	(1 298)	2 862	(2 379)	601	3 610	2 248	2 683	3 948	(690)	892	2 386	13 765	12 904	1 015
Share of surplus/ (deficit) of associate													–	–	–	–
Surplus/(Deficit)	1	(1 099)	(1 298)	2 862	(2 379)	601	3 610	2 248	2 683	3 948	(690)	892	2 386	13 765	12 904	1 015

TABLE 45: MBRR SA28 - Budgeted monthly capital expenditure (municipal vote)

LIM335 Maruleng - Supporting Table SA28 Budgeted monthly capital expenditure (municipal vote)

Description	Ref	Budget Year 2017/18												Medium Term Revenue and Expenditure Framework		
R thousand		July	August	Sept.	October	Nov.	Dec.	January	Feb.	March	April	May	June	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
Multi-year expenditure *to be appropriated*	1															
Vote 1 - Executive and Council													–	–	–	–
Vote 2 - Budget and treasury													–	–	–	–
Vote 3 - Corporate Services													–	–	–	–
Vote 4 - Planning and Development													–	–	–	–
Vote 5 - Community and Social Services		150	129	206	150	131	133	194	128	138	95	148	100	1 700	–	–
Vote 6 - Sports and Recreation		771	666	1 060	771	675	683	999	657	710	491	762	517	8 760	7 170	6 000
Vote 7 - Waste Management		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 8 - Waste water Management		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 9 - Roads and Transport		6 138	5 573	7 689	7 138	6 620	8 667	8 360	5 526	5 808	5 633	6 091	7 363	80 606	51 000	37 051
Vote 10 - Water													–	–	–	–
Vote 11 - Public Safety													–	–	–	–
Vote 12 - Electricity Distribution													–	–	–	–
Vote 13 - [NAME OF VOTE 13]													–	–	–	–
Vote 14 - [NAME OF VOTE 14]													–	–	–	–
Vote 15 - [NAME OF VOTE 15]													–	–	–	–
Capital multi-year expenditure sub-total	2	7 058	6 368	8 955	8 058	7 426	9 483	9 552	6 311	6 656	6 219	7 000	7 980	91 066	58 170	43 051
Single-year expenditure *to be appropriated*																
Vote 1 - Executive and Council													–	–	–	–
Vote 2 - Budget and treasury													–	–	–	–
Vote 3 - Corporate Services		218	175	138	118	179	182	113	271	293	203	315	214	2 419	1 810	2 001
Vote 4 - Planning and Development		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 5 - Community and Social Services		132	114	182	132	116	117	171	113	122	84	131	89	1 500	3 000	4 000
Vote 6 - Sports and Recreation		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 7 - Waste Management		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 8 - Waste water Management		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 9 - Roads and Transport		5	5	7	5	5	5	7	5	5	3	5	4	60	–	–
Vote 10 - Water		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 11 - Public Safety		88	76	121	88	77	78	114	75	81	56	87	59	1 000	–	–
Vote 12 - Electricity Distribution		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 13 - [NAME OF VOTE 13]													–	–	–	–
Vote 14 - [NAME OF VOTE 14]													–	–	–	–
Vote 15 - [NAME OF VOTE 15]													–	–	–	–
Capital single-year expenditure sub-total	2	444	370	448	344	376	382	404	463	500	346	538	365	4 979	4 810	6 001
Total Capital Expenditure	2	7 502	6 738	9 402	8 402	7 802	9 865	9 957	6 774	7 156	6 565	7 538	8 345	96 045	62 980	49 052

TABLE 46: MBRR SA29 - Budgeted monthly capital expenditure (function classification)

LIM335 Maruleng - Supporting Table SA29 Budgeted monthly capital expenditure (functional classification)

Description	Ref	Budget Year 2017/18												Medium Term Revenue and Expenditure Framework		
R thousand		July	August	Sept.	October	Nov.	Dec.	January	Feb.	March	April	May	June	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
Capital Expenditure - Functional	1															
Governance and administration		218	175	138	118	179	182	113	271	293	203	315	214	2 419	1 810	2 001
Executive and council													–	–	–	–
Finance and administration		218	175	138	118	179	182	113	271	293	203	315	214	2 419	1 810	2 001
Internal audit													–	–	–	–
Community and public safety		1 140	985	1 568	1 140	998	1 011	1 477	972	1 050	726	1 127	765	12 960	10 170	10 000
Community and social services		282	243	387	282	246	250	365	240	259	179	278	189	3 200	3 000	4 000
Sport and recreation		771	666	1 060	771	675	683	999	657	710	491	762	517	8 760	7 170	6 000
Public safety		88	76	121	88	77	78	114	75	81	56	87	59	1 000	–	–
Housing													–	–	–	–
Health													–	–	–	–
Economic and environmental services		6 138	5 573	7 689	7 138	6 620	8 667	8 360	5 526	5 808	5 633	6 091	7 423	80 666	51 000	37 051
Planning and development													–	–	–	–
Road transport		6 138	5 573	7 689	7 138	6 620	8 667	8 360	5 526	5 808	5 633	6 091	7 423	80 666	51 000	37 051
Environmental protection													–	–	–	–
Trading services		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Energy sources													–	–	–	–
Water management													–	–	–	–
Waste water management													–	–	–	–
Waste management													–	–	–	–
Other													–	–	–	–
Total Capital Expenditure - Functional	2	7 496	6 733	9 395	8 396	7 797	9 860	9 950	6 770	7 151	6 561	7 533	8 401	96 045	62 980	49 052
Funded by:																
National Government		2 396	2 069	3 294	2 396	2 096	2 123	3 103	2 042	2 205	1 524	2 368	1 606	27 223	28 600	30 054
Provincial Government													–	–	–	–
District Municipality													–	–	–	–
Other transfers and grants													–	–	–	–
Transfers recognised - capital		2 396	2 069	3 294	2 396	2 096	2 123	3 103	2 042	2 205	1 524	2 368	1 606	27 223	28 600	30 054
Public contributions & donations													–	–	–	–
Borrowing													–	–	–	–
Internally generated funds		5 101	4 664	6 101	6 001	5 701	7 737	6 847	4 728	4 946	5 037	5 164	6 795	68 822	34 380	18 998
Total Capital Funding		7 496	6 733	9 395	8 396	7 797	9 860	9 950	6 770	7 151	6 561	7 533	8 401	96 045	62 980	49 052

TABLE 47: MBRR SA30 - Budgeted monthly cash flow

LIM335 Maruleng - Supporting Table SA30 Budgeted monthly cash flow

MONTHLY CASH FLOWS	Budget Year 2017/18												Medium Term Revenue and Expenditure Framework		
R thousand	July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
Cash Receipts By Source													1		
Property rates	2 904	2 508	3 994	2 904	2 541	3 574	3 762	2 475	3 673	2 848	2 871	3 917	37 974	40 139	42 387
Service charges - electricity revenue	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Service charges - water revenue	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Service charges - sanitation revenue	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Service charges - refuse revenue	274	237	377	274	240	243	355	234	252	174	271	184	3 115	3 298	3 388
Service charges - other	–	–	–	–	–	–	–	–	–	–	–	–			
Rental of facilities and equipment	21	18	29	21	19	19	28	18	20	14	21	14	241	261	281
Interest earned - external investments	472	407	649	472	413	418	611	402	434	300	466	316	5 361	5 666	5 984
Interest earned - outstanding debtors	19	16	26	19	16	17	24	16	17	12	19	13	213	215	218
Dividends received	–	–	–	–	–	–	–	–	–	–	–	–			
Fines, penalties and forfeits	29	25	39	29	25	25	37	24	26	18	28	19	326	325	327
Licences and permits	284	245	391	284	249	252	368	242	262	181	281	190	3 229	3 413	3 604
Agency services	206	178	283	206	180	182	266	175	189	131	203	138	2 337	2 470	2 609
Transfer receipts - operational	46 045				30 697				25 581			–	102 322	110 393	105 337
Other revenue	177	153	243	177	155	157	229	151	163	113	175	119	2 012	1 866	1 970
Cash Receipts by Source	50 431	3 788	6 030	4 386	34 534	4 887	5 682	3 738	30 617	3 791	4 336	4 910	157 131	168 045	166 103
Other Cash Flows by Source															
Transfer receipts - capital	12 250				8 167				6 806			–	27 223	28 600	30 054
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporatons, Higher Educational Institutions) & Transfers and subsidies - capital (in-kind - all)	–	–	–	–	–	–	–	–	–	–	–	–			
Proceeds on disposal of PPE	326	281	1 448	326	285	289	422	278	300	207	322	518	5 000		
Short term loans												–			
Borrowing long term/refinancing												–			
Increase (decrease) in consumer deposits												–			
Decrease (Increase) in non-current debtors												–			
Decrease (increase) other non-current receivables												–			
Decrease (increase) in non-current investments												–			
Total Cash Receipts by Source	63 007	4 069	7 478	4 711	42 986	5 176	6 103	4 015	37 723	3 998	4 658	5 429	189 354	196 645	196 157
Cash Payments by Type															
Employee related costs	5 335	4 608	7 336	5 335	4 668	4 729	6 911	4 547	4 911	3 395	5 275	3 577	60 627	64 871	69 412
Remuneration of councillors	884	763	1 215	884	773	784	1 145	753	814	563	874	593	10 045	10 648	11 287
Finance charges	7	6	10	7	6	6	9	6	6	4	7	5	79	84	88
Bulk purchases - Electricity	142	123	195	142	124	126	184	121	131	90	141	95	1 615	1 498	1 582
Bulk purchases - Water & Sewer	–	–	–	–	–	–	–	–	–	–	–	–			
Other materials	328	283	451	328	287	290	424	279	302	209	324	220	3 723	3 935	4 156
Contracted services	835	721	1 149	835	731	740	1 082	712	769	532	826	560	9 492	9 807	9 900
Transfers and grants - other municipalities	–	–	–	–	–	–	–	–	–	–	–	–			
Transfers and grants - other	–	–	–	–	–	–	–	–	–	–	–	–			
Other expenditure	3 383	2 922	4 652	3 383	2 960	2 999	4 383	2 884	3 114	2 153	3 345	2 268	38 447	39 973	41 767
Cash Payments by Type	10 915	9 426	15 007	10 915	9 550	9 674	14 139	9 302	10 046	6 946	10 791	7 318	124 029	130 815	138 192
Other Cash Flows/Payments by Type															
Capital assets	6 016	7 195	8 271	8 016	9 264	6 332	9 793	9 127	10 137	7 828	6 947	7 120	96 045	62 980	49 052
Repayment of borrowing												–			
Other Cash Flows/Payments												–			
Total Cash Payments by Type	16 930	16 621	23 279	18 930	18 814	16 006	23 932	18 429	20 183	14 774	17 738	14 438	220 074	193 795	187 244
NET INCREASE/(DECREASE) IN CASH HELD	46 077	(12 552)	(15 801)	(14 219)	24 172	(10 830)	(17 829)	(14 414)	17 540	(10 776)	(13 080)	(9 009)	(30 720)	2 850	8 913
Cash/cash equivalents at the month/year begin:	82 128	128 205	115 652	99 852	85 633	109 805	98 975	81 146	66 733	84 272	73 497	60 417	82 128	51 408	54 258
Cash/cash equivalents at the month/year end:	128 205	115 652	99 852	85 633	109 805	98 975	81 146	66 733	84 272	73 497	60 417	51 408	51 408	54 258	63 172

2.10 ANNUAL BUDGETS AND SDBIPS – INTERNAL DEPARTMENTS

2.10.1 Water Services Department

Maruleng Municipality is not a water service authority

2.11 CONTRACTS HAVING FUTURE BUDGETARY IMPLICATIONS

In terms of the Municipality's Supply Chain Management Policy, no contracts are awarded beyond the medium-term revenue and expenditure framework (three years). In ensuring adherence to this contractual time frame limitation, all reports submitted to either the Bid Evaluation and Adjudication Committees must obtain formal financial comments from the Financial Management Division of the Treasury Department.

2.12 CAPITAL EXPENDITURE DETAILS

TABLE 48: MBRR SA 34a – Capital expenditure on new assets by assets class

LIM335 Maruleng - Supporting Table SA34a Capital expenditure on new assets by asset class

Description	2013/14	2014/15	2015/16	Current Year 2016/17			2017/18 Medium Term Revenue & Expenditure Framework		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
Capital expenditure on new assets by Asset Class/Sub-class									
Infrastructure	8 830 979	22 434 964	17 335 751	26 061 799	25 472 446	25 472 446	74 666 106	40 000 000	32 051 300
Roads Infrastructure	3 220 038	22 434 964	13 774 148	26 061 799	24 272 446	24 272 446	74 666 106	40 000 000	32 051 300
Roads	3 220 038	22 434 964	13 774 148	25 561 799	23 772 446	23 772 446	73 666 106	40 000 000	32 051 300
Capital Spares				500 000	500 000	500 000	1 000 000		
Storm water Infrastructure	3 055 598	-	-	-	-	-	-	-	-
Storm water Conveyance	3 055 598								
Electrical Infrastructure	2 555 342	-	3 561 603	-	1 200 000	1 200 000	-	-	-
HV Transmission Conductor	2 555 342		3 561 603		1 200 000	1 200 000	-	-	-
Community Assets	8 453 199	10 074 951	17 490 252	40 756 201	43 115 602	43 115 602	11 959 744	10 170 000	10 000 000
Community Facilities	847 316	5 499 551	8 027 103	12 307 201	12 924 231	12 924 231	3 200 000	3 000 000	4 000 000
Halls	311 513	5 257 456	8 027 103	10 707 201	11 214 231	11 214 231	1 700 000	-	-
Libraries				300 000	300 000	300 000			
Cemeteries/Crematoria	535 803	242 095		1 200 000	1 200 000	1 200 000	1 500 000	3 000 000	4 000 000
Markets				100 000	210 000	210 000	-	-	-
Sport and Recreation Facilities	7 605 882	4 575 400	9 463 149	28 449 000	30 191 371	30 191 371	8 759 744	7 170 000	6 000 000
Indoor Facilities			9 463 149	28 449 000	30 191 371	30 191 371	8 759 744		
Outdoor Facilities	7 605 882	4 575 400						7 170 000	6 000 000
Other assets	2 305 865	790 575	705 568	3 850 000	1 025 000	1 025 000	250 000	250 000	275 000
Operational Buildings	2 305 865	790 575	705 568	3 850 000	1 025 000	1 025 000	250 000	250 000	275 000
Municipal Offices	2 305 865	790 575	-	650 000	675 000	675 000	250 000	250 000	275 000
Yards				3 000 000					
Capital Spares			705 568	200 000	350 000	350 000			
Intangible Assets	-	489 949	183 100	-	-	-	-	-	-
Licences and Rights	-	489 949	183 100	-	-	-	-	-	-
Computer Software and Applications		489 949	183 100						
Computer Equipment	770 850	104 661	481 539	1 370 000	1 420 000	1 420 000	1 053 000	760 000	876 000
Computer Equipment	770 850	104 661	481 539	1 370 000	1 420 000	1 420 000	1 053 000	760 000	876 000
Furniture and Office Equipme	388 300	38 070	286 649	1 446 000	1 496 000	1 496 000	808 000	800 000	850 000
Furniture and Office Equipment	388 300	38 070	286 649	1 446 000	1 496 000	1 496 000	808 000	800 000	850 000
Machinery and Equipment	212 719	498 067	597 116	-	-	-	308 000	-	-
Machinery and Equipment	212 719	498 067	597 116				308 000		
Transport Assets	-	3 504 289	925 366	2 000 000	5 000 000	5 000 000	-	-	-
Transport Assets		3 504 289	925 366	2 000 000	5 000 000	5 000 000	-		
Total Capital Expenditure on r	20 961 912	37 935 526	38 005 342	75 484 000	77 529 048	77 529 048	89 044 850	51 980 000	44 052 300

TABLE 49: MBRR SA 34b – Capital Expenditure on the renewal of existing assets by assets class

LIM335 Maruleng - Supporting Table SA34b Capital expenditure on the renewal of existing assets by asset class

Description	2013/14	2014/15	2015/16	Current Year 2016/17			2017/18 Medium Term Revenue & Expenditure Framework		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
Capital expenditure on renewal of existing assets by Asset Class/Sub-class									
Infrastructure	1 659 920	3 859 264	6 013 853	6 182 000	6 799 859	6 799 859	7 000 000	11 000 000	5 000 000
Roads Infrastructure	1 659 920	3 859 264	6 013 853	6 182 000	6 799 859	6 799 859	7 000 000	11 000 000	5 000 000
Roads	1 659 920	3 859 264	6 013 853	6 182 000	6 799 859	6 799 859	7 000 000	11 000 000	5 000 000
Total Capital Expenditure on renew	1 659 920	3 859 264	6 013 853	6 182 000	6 799 859	6 799 859	7 000 000	11 000 000	5 000 000

TABLE 50: MBRR SA 34c – Repairs and maintenance expenditure by assets class

LIM335 Maruleng - Supporting Table SA34c Repairs and maintenance expenditure by asset class

Description	2013/14	2014/15	2015/16	Current Year 2016/17			2017/18 Medium Term Revenue & Expenditure Framework		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
Repairs and maintenance expenditure by Asset Class/Sub-class									
Infrastructure	370 420	255 474	83 317	700 000	900 000	900 000	762 000	805 434	723 238
Roads Infrastructure	145 431	231 956	83 317	600 000	800 000	800 000	562 000	594 034	500 000
Roads	145 431	201 666	50 163	500 000	700 000	700 000	562 000	594 034	500 000
Capital Spares		30 290	33 154	100 000	100 000	100 000	-	-	-
Electrical Infrastructure	224 989	23 518	-	100 000	100 000	100 000	200 000	211 400	223 238
Capital Spares	224 989	23 518	-	100 000	100 000	100 000	200 000	211 400	223 238
Community Assets	45 567	71 152	47 219	75 503	75 503	75 503	100 000	105 700	111 619
Community Facilities	45 567	71 152	47 219	75 503	75 503	75 503	100 000	105 700	111 619
Public Open Space	45 567	71 152	47 219	75 503	75 503	75 503	100 000	105 700	111 619
Other assets	564 142	577 084	876 877	550 000	1 822 464	1 822 464	500 000	828 500	558 096
Operational Buildings	564 142	577 084	876 877	550 000	1 822 464	1 822 464	500 000	828 500	558 096
Municipal Offices	311 409	577 084	540 136	550 000	1 822 464	1 822 464	500 000	528 500	558 096
Workshops	252 732		336 742					300 000	
Machinery and Equipmer	4 435	411 730	4 166	504 544	530 544	530 544	590 000	623 630	658 553
Machinery and Equipmen	4 435	411 730	4 166	504 544	530 544	530 544	590 000	623 630	658 553
Transport Assets	312 343	387 967	361 512	450 000	450 000	450 000	500 000	528 500	558 096
Transport Assets	312 343	387 967	361 512	450 000	450 000	450 000	500 000	528 500	558 096
Total Repairs and Mainter	1 296 906	1 703 406	1 373 091	2 280 047	3 778 511	3 778 511	2 452 000	2 891 764	2 609 603

TABLE 51: MBRR SA34d- Depreciation by assets classification

LIM335 Maruleng - Supporting Table SA34d Depreciation by asset class

Description	2013/14	2014/15	2015/16	Current Year 2016/17			2017/18 Medium Term Revenue & Expenditure Framework		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
Depreciation by Asset Class/Sub-class									
Infrastructure	26 491 798	26 836 260	11 202 476	29 471 578	32 471 578	32 471 578	34 718 816	36 953 213	39 203 259
Roads Infrastructure	24 379 182	24 606 260	8 493 488	27 131 578	30 131 578	30 131 578	31 500 000	33 888 197	34 772 346
Roads	24 379 182	24 606 260	8 493 488	27 131 578	30 131 578	30 131 578	31 500 000	33 888 197	34 772 346
Storm water Infrastruc	2 112 616	2 230 000	2 708 988	2 340 000	2 340 000	2 340 000	3 218 816	3 065 016	4 430 913
Drainage Collectio	2 112 616	2 230 000	2 708 988	2 340 000	2 340 000	2 340 000	3 218 816	3 065 016	4 430 913
Community Assets	53 398	64 500	3 826 500	64 500	64 500	64 500	68 500	70 400	71 700
Community Facilities	53 398	64 500	61 500	64 500	64 500	64 500	68 500	70 400	71 700
Halls	38 855	45 000	43 000	45 000	45 000	45 000	47 500	48 900	49 700
Cemeteries/Crema	14 544	19 500	18 500	19 500	19 500	19 500	21 000	21 500	22 000
Sport and Recreation	-	-	3 765 000	-	-	-	-	-	-
Outdoor Facilities			3 765 000		-				
Other assets	865 000	920 000	11 878 000	922 200	922 200	922 200	971 100	915 000	927 000
Operational Buildings	865 000	920 000	11 878 000	922 200	922 200	922 200	971 100	915 000	927 000
Municipal Offices	865 000	920 000	11 878 000	922 200	922 200	922 200	971 100	915 000	927 000
Computer Equipmen	287 744	296 000	312 000	315 000	315 000	315 000	317 000	319 000	321 000
Computer Equipment	287 744	296 000	312 000	315 000	315 000	315 000	317 000	319 000	321 000
Furniture and Office	184 301	187 000	224 000	226 000	226 000	226 000	227 000	228 000	229 000
Furniture and Office E	184 301	187 000	224 000	226 000	226 000	226 000	227 000	228 000	229 000
Machinery and Equip	-	115 000	1 650 000	1 657 000	1 657 000	1 657 000	1 660 000	1 662 000	1 665 000
Machinery and Equipment		115 000	1 650 000	1 657 000	1 657 000	1 657 000	1 660 000	1 662 000	1 665 000
Transport Assets	353 477	366 000	363 000	365 000	365 000	365 000	366 000	367 000	368 000
Transport Assets	353 477	366 000	363 000	365 000	365 000	365 000	366 000	367 000	368 000
Libraries	48 427	56 000	72 000	59 000	59 000	59 000	61 000	63 000	65 000
Libraries	48 427	56 000	72 000	59 000	59 000	59 000	61 000	63 000	65 000
Total Depreciation	28 284 145	28 840 760	29 527 976	33 080 278	36 080 278	36 080 278	38 389 416	40 577 613	42 849 959

See attached copy of the Annual Budget for the following supporting tables

- TABLE 52: MBRR SA 35-Capital expenditure on the upgrading of existing of assets by assets classification.
- TABLE 53:MBRR SA 35 – Future financial implications of the capital budget
- TABLE 54 :MBRR SA 36 – Detailed capital budget per municipal vote
- TABLE 55: MBRR SA 37– Projects delayed from previous financial year
- TABLE 56: MBRR SA 38- Consolidated detailed operational projects

2.13 LEGISLATION COMPLIANCE STATUS

Compliance with the MFMA implementation requirements have been substantially adhered to through the following activities:

1. in year reporting
 - Reporting to National Treasury in electronic format was fully complied with on a monthly basis. Section 71 reporting to the Executive Mayor (within 10 working days) has progressively improved and includes monthly published financial performance on the Municipality's website.

2. Internship programme
 - The Municipality is participating in the Municipal Financial Management Internship programme and has employed 5 interns undergoing training in various divisions of the Financial Services Department.

3. Budget and Treasury Office
 - The Budget and Treasury Office has been established in accordance with the MFMA.

4. Audit Committee
 - Audit Committee has been established and is fully functional.

5. Service Delivery and Implementation Plan
 - The detail SDBIP document is at a draft stage and will be finalized after approval of the 2017/18 MTREF in June 2017 directly aligned and informed by the 2017/18 MTREF.

6. Annual Report
 - Annual report is compiled in terms of the MFMA and National Treasury requirements.

7. MFMA Training
 - The MFMA training module in electronic format is presented at the Municipality's internal centre and training is ongoing.

8. Policies
 - An amendment of the Municipal Property Rates Regulations as published in Government Notice 363 of 27 March 2009 was announced in Government Gazette 33016 on 12 March 2010. The ratios as prescribed in the Regulations have been complied with.

2.14 OTHER SUPPORTING DOCUMENTS

See attached copy of the Annual Budget for the following supporting tables

TABLE 57: MBRR SA 1 – Supporting detail to budgeted financial performance

Description	2013/14	2014/15	2015/16	Current Year 2016/17			2017/18 Medium Term Revenue & Expenditure Framework		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
REVENUE ITEMS:									
Revenue By Source									
Total Property Rates	12 594 085	29 908 471	32 093 298	35 765 475	61 290 529	61 290 529	54 249 016	57 341 210	60 552 318
(exemptions, reductions and				4 178 285	2 969 256	2 969 256	2 970 000	3 139 290	3 315 090
Net Property Rates	12 594 085	29 908 471	32 093 298	31 587 190	58 321 273	58 321 273	51 279 016	54 201 920	57 237 227
Service charges - sanitation revenue									
Total refuse removal revenue	2 564 209	3 179 464	2 586 338	2 694 675	3 021 096	3 021 096	3 607 170	3 812 779	4 026 295
Net Service charges - sanitation r	2 564 209	3 179 464	2 586 338	2 694 675	3 021 096	3 021 096	3 607 170	3 812 779	4 026 295
Other Revenue by source									
prior year period error/ other adjustments and transfe		797 308							
Other Revenue	1 631 335	2 279 817	2 098 767	6 631	15 714	15 714	16 720	17 673	18 663
Service charges - building plans				829 255	700 000	700 000	850 000	898 450	948 763
Tender documents				341 754	441 754	441 754	470 026	496 818	524 639
Service charges - clearance certificate				105 262	139 080	139 080	147 981	156 416	165 175
Building Inspection fees				77 998	104 177	104 177	110 844	117 162	123 723
SETA Training Refund				53 086	53 086	53 086	56 483	59 703	63 046
Service charges - town planning fees				38 513	2 000	2 000	2 128	2 249	2 375
Rezoning				22 203	51 707	51 707	55 016	58 152	61 409
Site Development				19 750	19 750	19 750	21 014	22 211	23 455
Swimming Pool application fees				8 769	26 441	26 441	28 133	29 737	31 402
Penalties				6 255	6 255	6 255	6 656	7 035	7 429
Total 'Other' Revenue	1 631 335	3 077 125	2 098 767	1 509 474	1 559 964	1 559 964	1 765 002	1 865 607	1 970 081
EXPENDITURE ITEMS:									
Expenditure By Type									
Basic Salaries and Wages	21 036 630	25 247 658	27 434 470	31 294 054	31 935 633	31 935 633	41 315 097	44 207 153	47 301 654
Pension and UIF Contributions	4 645 150	4 901 408	5 664 727	6 435 838	6 575 269	6 575 269	8 818 523	9 435 820	10 096 327
Medical Aid Contributions	251 076	1 467 091	1 783 867	2 000 595	2 064 513	2 064 513	2 481 439	2 655 140	2 841 000
Overtime	436 702	1 290 068	2 033 303	2 282 986	2 167 001	2 167 001	1 484 804	1 588 741	1 699 952
Performance Bonus	1 906 738	1 767 411	2 054 262	2 954 209	2 776 381	2 776 381	4 170 172	4 462 084	4 774 430
Motor Vehicle Allowance	1 105 166	2 268 851	3 643 969	4 110 126	4 201 641	4 201 641	6 093 549	6 520 097	6 976 504
Cellphone Allowance	849 572	760 525	500 963	555 226	585 389	585 389	804 816	861 153	921 434
Housing Allowances	63 096	63 096	160 300	183 918	170 158	170 158	181 018	193 690	207 248
Other benefits and allowances		293 201	463 741	523 005	610 970	610 970	1 137 870	1 217 521	1 302 748
Payments in lieu of leave	357 243	414 816	544 298	55 566	425 862	425 862	120 000	128 400	137 388
Long service awards	53 344	798 177	109 766	93 539	175 318	175 318	179 410	191 969	205 406
Post-retirement benefit obligations			859 230		-	-			
sub-total	30 704 717	39 272 302	45 252 895	50 489 061	51 688 135	51 688 135	66 786 699	71 461 768	76 464 092
Total Expenditure By Type	30 704 717	39 272 302	45 252 895	50 489 061	51 688 135	51 688 135	66 786 699	71 461 768	76 464 092
Debt impairment									
Depreciation of Property, Plant & Eq	28 284 145	28 840 760	29 307 085	33 080 278	36 080 278	36 080 278	38 163 525	40 346 721	42 614 068
Lease amortisation			220 891				225 891	230 891	235 891
Total Debt impairment	28 284 145	28 840 760	29 527 976	33 080 278	36 080 278	36 080 278	38 389 416	40 577 613	42 849 959
Finance charges									
Electricity Bulk Purchases	812 848	563 531	998 509	940 129	1 331 819	1 331 819	1 417 055	1 497 827	1 581 706
Water Bulk Purchases									
Total bulk purchases	812 848	563 531	998 509	940 129	1 331 819	1 331 819	1 417 055	1 497 827	1 581 706
Other materials									
waste removals	2 041 471	2 548 292	3 193 719	3 287 726	3 287 726	3 287 726	3 616 499	3 822 640	4 036 707
security services	3 572 394	4 271 032	4 700 957	4 956 602	3 996 200	3 996 200	4 715 516	4 984 300	5 263 421
sub-total	5 613 865	6 819 324	7 894 675	8 244 328	7 283 926	7 283 926	8 332 015	8 806 940	9 300 129
Other Expenditure By Type									
Consultant fees	2 074 944	4 090 154	6 205 799	8 343 180	7 662 580	7 662 580	7 750 000	8 191 750	8 650 488
Audit fees	1 490 923	2 152 956	2 697 297	3 772 265	3 772 265	3 772 265	3 000 000	3 171 000	3 348 576
General expenses	17 224 118	20 301 638	23 652 142	1 742 877	1 777 128	1 777 128	2 249 009	2 377 202	2 510 326
Travel reimbursement				3 452 109	3 512 504	3 512 504	3 150 000	3 329 550	3 516 005
functions(events and protocol)				2 335 554	2 752 120	2 752 120	2 922 500	3 089 083	3 262 071
Accomodation				1 740 280	2 310 280	2 310 280	2 320 000	2 452 240	2 589 565
Ward committee				2 180 000	2 180 000	2 180 000	2 319 520	2 451 733	2 589 030
Electricity costs				1 945 389	1 945 389	1 945 389	2 101 020	2 220 778	2 345 142
Skills development				445 000	445 000	445 000	1 375 189	1 453 575	1 534 975
Rental equipment				310 879	10 879	10 879	1 215 000	1 284 255	1 356 173
Epwp salaries				1 000 000	1 000 000	1 000 000	1 124 000	-	-
Disaster management				300 000	400 000	400 000	860 000	909 020	959 925
Internal audit				696 200	746 200	746 200	792 500	837 673	884 582
Insurance				702 772	452 772	452 772	750 000	792 750	837 144
Tourism				658 921	858 921	858 921	750 000	792 750	837 144
Membership fee - salga				831 120	661 120	661 120	706 723	747 006	788 838
Bursary fund				450 000	450 000	450 000	600 000	634 200	669 715
Legal charges				2 000 000	500 000	500 000	500 000	528 500	558 096
Telephone				472 101	500 000	500 000	500 000	528 500	558 096
Conference and workshop				455 444	455 444	455 444	450 000	475 650	502 286
Audit committees				450 000	400 000	400 000	400 000	422 800	446 477
IDP review				200 000	350 000	350 000	400 000	422 800	446 477
Compensation commissioner				400 000	300 000	300 000	350 000	369 950	390 667
Advertising				226 409	306 409	306 409	326 019	344 602	363 899
Repairs and maintanance				2 280 047	3 778 511	3 778 511	2 452 000	2 891 764	3 236 903
Total 'Other' Expenditure	20 789 985	26 544 748	32 555 238	37 390 546	37 527 521	37 527 521	39 363 479	40 719 130	43 182 601
by Expenditure Item									
Other materials	1 296 906	1 703 406	1 373 091	2 280 047	3 778 511	3 778 511			
Other Expenditure							2 452 000	2 891 764	2 609 603
Total Repairs and Maintenance Exp	1 296 906	1 703 406	1 373 091	2 280 047	3 778 511	3 778 511	2 452 000	2 891 764	2 609 603

- TABLE 58: MBRR SA 2 – Matrix financial Performance budget (revenue source/expenditure type and department)

LIM335 Maruleng - Supporting Table SA2 Matrix Financial Performance Budget (revenue source/expenditure type and dept.)

Description	Ref	Vote 1 - Executive and Council	Vote 2 - Budget and treasury	Vote 3 - Corporate Services	Vote 4 - Planning and Development	Vote 5 - Community and Social Services	Vote 6 - Sports and Recreation	Vote 7 - Waste Management	Vote 8 - Waste water Management	Vote 9 - Roads and Transport	Vote 10 - Water	Vote 11 - Public Safety	Vote 12 - Electricity Distribution	Vote 13 - [NAME OF VOTE 13]	Vote 14 - [NAME OF VOTE 14]	Vote 15 - [NAME OF VOTE 15]	Total
R thousand	1																
Revenue By Source																	
Property rates			51 279														51 279
Service charges - electricity revenue																	–
Service charges - water revenue																	–
Service charges - sanitation revenue																	–
Service charges - refuse revenue								3 607									3 607
Service charges - other																	–
Rental of facilities and equipment						341											341
Interest earned - external investments			5 361														5 361
Interest earned - outstanding debtors			213														213
Dividends received																	–
Fines, penalties and forfeits										336							336
Licences and permits										3 229							3 229
Agency services										2 337							2 337
Other revenue			477	56	1 229	3											1 765
Transfers and subsidies			101 198			1 124											102 322
Gains on disposal of PPE			5 500														5 500
Total Revenue (excluding capital transfers and cont		–	164 027	56	1 229	1 468	–	3 607	–	5 902	–	–	–	–	–	–	176 290
Expenditure By Type																	
Employee related costs		13 595	12 884	11 555	5 922	13 351				9 481							66 787
Remuneration of councillors		10 045															10 045
Debt impairment			19 262														19 262
Depreciation & asset impairment			38 389														38 389
Finance charges				79													79
Bulk purchases													1 417				1 417
Other materials			1 150	2 573													3 723
Contracted services						4 716		3 616									8 332
Transfers and subsidies																	–
Other expenditure		10 556	12 350	5 357	1 990	4 618				3 633		860					39 363
Loss on disposal of PPE			2 349														2 349
Total Expenditure		34 196	86 385	19 564	7 912	22 684	–	3 616	–	13 114	–	860	1 417	–	–	–	189 748
Surplus/(Deficit)		(34 196)	77 642	(19 507)	(6 682)	(21 216)	–	(9)	–	(7 212)	–	(860)	(1 417)	–	–	–	(13 458)
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)			27 223														27 223
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporatons, Higher Educational Institutions)																	–
Transfers and subsidies - capital (in-kind - all)																	–
Surplus/(Deficit) after capital transfers & contributions		(34 196)	104 865	(19 507)	(6 682)	(21 216)	–	(9)	–	(7 212)	–	(860)	(1 417)	–	–	–	13 765

TABLE 59: MBRR SA 3 – Supporting detail to statement of financial position

LIM335 Maruleng - Supporting Table SA3 Supportinging detail to 'Budgeted Financial Position'

Description	Ref	2013/14	2014/15	2015/16	Current Year 2016/17				2017/18 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
ASSETS											
Call investment deposits											
Call deposits		42 584	51 466	74 867	52 000	75 746	75 746		43 583	46 300	56 388
Other current investments											
Total Call investment deposits	2	42 584	51 466	74 867	52 000	75 746	75 746	–	43 583	46 300	56 388
Consumer debtors											
Consumer debtors		17 900	50 541	59 563	66 816	77 529	77 529		92 033	107 128	122 727
Less: Provision for debt impairment		(15 838)	(46 859)	(55 166)	(59 716)	(73 121)	(73 121)		(87 383)	(102 458)	(118 377)
Total Consumer debtors	2	2 062	3 682	4 396	7 100	4 408	4 408	–	4 650	4 670	4 350
Debt impairment provision											
Balance at the beginning of the year		13 010	15 838	46 859	55 166	59 716	59 716		73 121	87 383	102 458
Contributions to the provision		2 827	31 021	8 307	4 550	13 404	13 404		14 262	15 075	15 919
Bad debts written off											
Balance at end of year		15 838	46 859	55 166	59 716	73 121	73 121	–	87 383	102 458	118 377
Property, plant and equipment (PPE)											
PPE at cost/valuation (excl. finance leases)		425 192	463 855	511 902	540 307	523 618	523 618		587 579	637 554	672 287
Leases recognised as PPE	3	1 098	1 279	663	1 098	1 098	1 098		664	665	666
Less: Accumulated depreciation		147 303	174 737	208 121	203 412	203 412	203 412		246 510	287 088	329 938
Total Property, plant and equipment (PPE)	2	278 987	290 397	304 444	337 993	321 304	321 304	–	341 733	351 131	343 016
LIABILITIES											
Current liabilities - Borrowing											
Short term loans (other than bank overdraft)											
Current portion of long-term liabilities		181									
Total Current liabilities - Borrowing		181	–	–	–	–	–	–	–	–	–
Trade and other payables											
Trade and other creditors		3 436	9 889	13 957	9 432	9 432	9 432		8 900	9 100	8 700
Unspent conditional transfers		9 227	5 036	24 724	3 500	3 500	3 500		1 500	1 000	1 250
VAT											
Total Trade and other payables	2	12 663	14 925	38 681	12 932	12 932	12 932	–	10 400	10 100	9 950
Non current liabilities - Borrowing											
Borrowing	4										
Finance leases (including PPP asset element)											
Total Non current liabilities - Borrowing		–	–	–	–	–	–	–	–	–	–
Provisions - non-current											
Retirement benefits		3 109	6 044	7 241	6 678	7 266	7 266		7 350	7 410	7 420
List other major provision items											
Refuse landfill site rehabilitation											
Other		1 368									
Total Provisions - non-current		4 478	6 044	7 241	6 678	7 266	7 266	–	7 350	7 410	7 420
CHANGES IN NET ASSETS											
Accumulated Surplus/(Deficit)											
Accumulated Surplus/(Deficit) - opening balance		319 277	328 572	340 290	456 738	456 738	456 738		375 798	389 563	402 467
GRAP adjustments		(900)	(1 028)		(102 157)	(109 421)	(109 421)				
Restated balance		318 377	327 543	340 290	354 582	347 317	347 317	–	375 798	389 563	402 467
Surplus/(Deficit)		10 195	12 747	32 564	43 933	51 197	51 197	–	13 765	12 904	1 015
Appropriations to Reserves											
Transfers from Reserves											
Depreciation offsets											
Other adjustments											
Accumulated Surplus/(Deficit)	1	328 572	340 290	372 854	398 515	398 515	398 515	–	389 563	402 467	403 481
Reserves											
Housing Development Fund											
Capital replacement											
Self-insurance											
Other reserves											
Revaluation											
Total Reserves	2	–	–	–	–	–	–	–	–	–	–
TOTAL COMMUNITY WEALTH/EQUITY	2	328 572	340 290	372 854	398 515	398 515	398 515	–	389 563	402 467	403 481

Total capital expenditure includes expenditure on nationally significant priorities:

Provision of basic services											

LIM335 Maruleng - Supporting Table SA3 Supportinging detail to 'Budgeted Financial Position'

Description	Ref	2013/14	2014/15	2015/16	Current Year 2016/17				2017/18 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
ASSETS											
Call investment deposits											
Call deposits		42 584	51 466	74 867	52 000	75 746	75 746		65 000	65 500	66 700
Other current investments											
Total Call investment deposits	2	42 584	51 466	74 867	52 000	75 746	75 746	–	65 000	65 500	66 700
Consumer debtors											
Consumer debtors		17 900	50 541	59 563	66 816	77 529	77 529		92 033	107 128	122 727
Less: Provision for debt impairment		(15 838)	(46 859)	(55 166)	(59 716)	(73 121)	(73 121)		(87 383)	(102 458)	(118 377)
Total Consumer debtors	2	2 062	3 682	4 396	7 100	4 408	4 408	–	4 650	4 670	4 350
Debt impairment provision											
Balance at the beginning of the year		13 010	15 838	46 859	55 166	59 716	59 716		73 121	87 383	102 458
Contributions to the provision		2 827	31 021	8 307	4 550	13 404	13 404		14 262	15 075	15 919
Bad debts written off											
Balance at end of year		15 838	46 859	55 166	59 716	73 121	73 121	–	87 383	102 458	118 377
Property, plant and equipment (PPE)											
PPE at cost/valuation (excl. finance leases)		425 192	463 855	511 902	540 307	523 618	523 618		585 401	636 509	679 704
Leases recognised as PPE	3	1 098	1 279	663	1 098	1 098	1 098		664	665	666
Less: Accumulated depreciation		147 303	174 737	208 121	203 412	203 412	203 412		246 510	287 088	329 938
Total Property, plant and equipment (PPE)	2	278 987	290 397	304 444	337 993	321 304	321 304	–	339 555	350 086	350 432
LIABILITIES											
Current liabilities - Borrowing											
Short term loans (other than bank overdraft)											
Current portion of long-term liabilities		181									
Total Current liabilities - Borrowing		181	–	–	–	–	–	–	–	–	–
Trade and other payables											
Trade and other creditors		3 436	9 889	13 957	9 432	9 432	9 432		8 900	9 100	8 700
Unspent conditional transfers		9 227	5 036	24 724	3 500	3 500	3 500		1 500	1 000	1 250
VAT											
Total Trade and other payables	2	12 663	14 925	38 681	12 932	12 932	12 932	–	10 400	10 100	9 950
Non current liabilities - Borrowing											
Borrowing	4										
Finance leases (including PPP asset element)											
Total Non current liabilities - Borrowing		–	–	–	–	–	–	–	–	–	–
Provisions - non-current											
Retirement benefits		3 109	6 044	7 241	6 678	7 266	7 266		7 350	7 410	7 420
List other major provision items											
Refuse landfill site rehabilitation											
Other		1 368									
Total Provisions - non-current		4 478	6 044	7 241	6 678	7 266	7 266	–	7 350	7 410	7 420
CHANGES IN NET ASSETS											
Accumulated Surplus/(Deficit)											
Accumulated Surplus/(Deficit) - opening balance		319 277	328 572	340 290	456 738	456 738	456 738		398 515	408 802	420 621
GRAP adjustments		(900)	(1 028)		(102 157)	(109 421)	(109 421)				
Restated balance		318 377	327 543	340 290	354 582	347 317	347 317	–	398 515	408 802	420 621
Surplus/(Deficit)		10 195	12 747	32 564	43 933	51 197	51 197	–	10 287	11 820	589
Appropriations to Reserves											
Transfers from Reserves											
Depreciation offsets											
Other adjustments											
Accumulated Surplus/(Deficit)	1	328 572	340 290	372 854	398 515	398 515	398 515	–	408 802	420 621	421 211
Reserves											
Housing Development Fund											
Capital replacement											
Self-insurance											
Other reserves											
Revaluation											
Total Reserves	2	–	–	–	–	–	–	–	–	–	–
TOTAL COMMUNITY WEALTH/EQUITY	2	328 572	340 290	372 854	398 515	398 515	398 515	–	408 802	420 621	421 211

TABLE 60: MBRR SA 9 – Social, economic and demographic statistics and assumptions

LIM335 Maruleng - Supporting Table SA9 Social, economic and demographic statistics and assumptions

Description of economic indicator	Ref.	Basis of calculation	2001 Census	2007 Survey	2011 Census	2013/14	2014/15	2015/16	Current Year 2016/17	2017/18 Medium Term Revenue & Expenditure Framework		
						Outcome	Outcome	Outcome	Original Budget	Outcome	Outcome	Outcome
Demographics												
Population			96	96	96	96	96	96	100	100	100	100
Females aged 5 - 14			15	15	15	15	15	15	15	15	15	15
Males aged 5 - 14			11	11	11	11	11	11	15	15	15	15
Females aged 15 - 34			18	18	18	18	18	18	20	20	20	20
Males aged 15 - 34			16	16	16	16	16	16	20	20	20	20
Unemployment			13	13	13	13	13	13	9	9	9	9
Monthly household income (no. of households)	1, 12											
No income			50 245	50 245	42 564	42 564	42 564	42 564	42 564	42 564	42 564	42 564
R1 - R1 600			41 181	41 181	41 101	41 101	41 101	41 101	41 101	41 101	41 101	41 101
R1 601 - R3 200			2 289	2 289	3 635	3 635	3 635	3 635	3 635	3 635	3 635	3 635
R3 201 - R6 400					1 625	1 625	1 625	1 625	1 625	1 625	1 625	1 625
R6 401 - R12 800					1 085	1 085	1 085	1 085	1 085	1 085	1 085	1 085
R12 801 - R25 600					288	288	288	288	288	288	288	288
R25 601 - R51 200					54	54	54	54	54	54	54	54
R52 201 - R102 400					57	57	57	57	57	57	57	57
R102 401 - R204 800					38	38	38	38	38	38	38	38
R204 801 - R409 600					4 411	4 411	4 411	4 411	4 411	4 411	4 411	4 411
R409 601 - R819 200												
> R819 200												
Poverty profiles (no. of households)												
< R2 060 per household per month	13				41 101	41101,00	41101,00	41101,00	41101,00	41101,00	41101,00	41101,00
Insert description	2		52.4% of the	52.4% of the								
Household/demographics (000)												
Number of people in municipal area			95 779	95 779	94 857	95	95	95	95	100	100	100
Number of poor people in municipal area			50 190	50 190	3 700	4	4	4	4	4	4	4
Number of households in municipal area			24 589	24 589	24 470	24	24	24	24	24	24	24
Number of poor households in municipal area			9 002	9 002	3 700	4	4	4	4	4	4	4
Definition of poor household (R per month)												
Housing statistics	3											
Formal			23 457	23 457	23 125	23 125	23 125	23 125	23 125	23 125	23 125	23 125
Informal			1 132	1 132	637	637	637	637	637	637	637	637
Total number of households			24 589	24 589	23 762	23 762	23 762	23 762	23 762	23 762	23 762	23 762
Dwellings provided by municipality	4				-	-	-	-	-	-	-	-
Dwellings provided by province/s					4 145	4 145	4 145	4 145	4 145	4 145	4 145	4 145
Dwellings provided by private sector	5				86	86	86	86	86	86	86	86
Total new housing dwellings			-	-	4 231	4 231	4 231	4 231	4 231	4 231	4 231	4 231

TABLE 61: MBRR SA 32 – List of external mechanisms

LIM335 Maruleng - Supporting Table SA32 List of external mechanisms

External mechanism Name of organisation	Yrs/ Mths	Period of agreement 1. Number	Service provided	Expiry date of service delivery agreement or contract	Monetary value of agreement 2. R thousand
Panasonic	Mths	36	Machines	30 June 2018	2 593
Nhluvuko security services	Mths	24	Security services	30 June 2018	9 062
FSSUser	Mths	12	cash in-transit	31 August 2017	71
Neo Solution	Mths	24	Machines	30 June 2017	324